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ROCK ON A ROLL

After a three-month rock cruise through Europe, Bryan Adams brought his tour home in triumph—and controversy. Last week, he delivered a blast against Canadian-content regulations that provoked debate about what it takes to get ahead in the domestic music industry. Still, Adams' success is unprecedented. (Everything I Do) I Do It for You has hit the No. 1 spot in 19 outlets. —*DA*

THE LION
IN WINTER

In Washington, no invitation is since covered, and even one to a White House dinner, than a summons to join Jack Kent Cooke on his private box to watch his beloved Redskins football team. The 79-year-old ex-Carslaw calls himself "the God-damn-est romantic you'll ever meet."

**PRIME-TIME
PREMIER**

Ontario NDP Premier Bob Rae was caught between irreconcilable pressures as he prepared last week for a scheduled TV appearance to explain his province's economic problems. A friend said that Rae, who is inhering the strains of office, has lost one of his most valuable



OPENING NOTES

George Bush pitches America, Svend Robinson embarks on a new mission, and Hugh Segal snubs the Maple Leafs

THE SPORTING LIFE

Hugh Segal, Prime Minister Brian Mulroney's new chief of staff, is known for his close connections to Ray Burke and the Ontario Tory party's Big Blue Machine. But in a recent interview with Maclean's, the Montreal-born Segal told that when it comes to Canada's national sport, he remains a staunch Canadiens fan. And he added that he vastly prefers the Montreal Forum to Toronto's Maple Leaf Gardens. Explained Segal, who has a reputation for being one of the neatest dressers on Parliament Hill: "In Montreal, going to hockey games is a full-on event—men wear ties and jackets and women dress as if they are going to a fashion show." He added: "I cannot stand going to Maple Leaf Gardens. Everything is sloppy and people just wear everything." But Segal stressed that his affection for his old home team is ultimately based on a deep sense of loyalty. "When you grew up in a place as hockey-mad as Montreal," he said, "you do not simply shift allegiances. When you are a Canadian fan, you remain one for life."

Segal: outgrowing loyalty and sartorial considerations



A flock whose goose is cooked

Members of Britain's Royal Society for the Prevention of Cruelty to Animals in Wandsworth, a London suburb, are trying to prevent the slaughter of about 200 of the 800 Canada geese that live year-round in several parks. "It's an ethically and morally questionable act," said RSPCA spokesman Tessa Mitchell of the plan to floodlight the park and shoot the starved birds at night. But Wandsworth administrator Stephen Maynor says that the plan will go ahead because the geese drive out moose and antelope. He added: "Their focus is absolutely prodigious—we have been concerned for the health of children."

A GAME OF DARTS AND LAURELS

The mood at Raymond Heard and Gillian Congrave's comfortable Toronto home recently was distinctly jovial. The occasion was a birthday party they threw to congratulate the recent marriage of the Globe and Mail, Geoffrey Stevens, to the widow of his wrongful-death suit against the newspaper. In December, the Ontario Court awarded Stevens \$125,000 in damages as a result of his 1989 firing. Among the 80 guests were several Globe employees, including Ontario columnist Hugh Winzer, Queen's Park columnist Robert Sheppard and former 5th Estate host Steven Caserio, who has returned to the Globe as a political columnist. Montreal Gazette editor Norman Webster, who lost his job as the Globe's editorial director during the 1989 strike, also attended, as did Toronto's 14th newspaper publisher Peter Hemedel. Rumoury Stevens, listed by Stevens as the Globe's society columnist, received an invitation, too. And although she could not attend, she sent a gift: a dart board and case that open to reveal a picture of Globe publisher Ray Heagerty as the target. Said Stevens: "It was a big hit. And I had a good deal of difficulty detaching some people from using it."



Stevens: on the winner's circle

Screen a hit



ONE GOOD TURN DESERVES ANOTHER

A group of Calgary businessmen has come to the rescue of Lerville's financially strapped basketball team. Last year, they decided to underwrite some of the team's Olympic training costs after seeing in accounts of Lerville basketball helping defend their national parliament against a possible attack by Soviet troops. The businessmen, most of whom are of Lerville descent, even picked up part of the \$15,000 tab for the athletes' trip to Calgary, where the Lerville athletes trained on a racing sled that belonged to Canada's own bobsled team. Laid general contractor Denis Melnick: "There is a lot of community spirit behind this effort." He added: "Everyone has pitched in." From Calgary, with love.

Coming to America

George Bush has turned into a 77 cabaret in an effort to attract British tourists to the United States. In a 60-second



Bush: on open invitation

spot that started airing in Britain this month, Bush said: "So what are you waiting for, an invitation from the President?" Donald Maize, tourism director for the commerce department, told Maclean's that Bush may also recruit additional commercials for Japanese and German markets. He added: "Who better to sell America than the President himself?"

All-expense-paid passage to India

Apparently satisfied by his recent conversation with the Chinese government, New Democratic MP Svend Robinson

Oliver: "Whether this is perceived under your rules in the Canadian to see. We don't go snooping into those sorts of things."



Robinson: around the world for human rights

LAND OF THE RISING BRIDGE

As the federal government prepares to give the go-ahead on a bridge linking Prince Edward Island and the mainland, opponents of the plan are making a last attempt to stop construction. Sharon Leitch, co-ordinator of the Environmental Coalition of Prince Edward Island, has written to Japanese environmental groups for support. And with the Japanese foundation for the story of Anne of Green Gables, Leitch says she is certain that they will help. She added: "The Japanese people are very concerned about what happens here."



A letter of resignation

Geoffrey Stevens' tenure as Brian Mulroney's press secretary ended this week when he was given the Prime Minister's Office a year's notice that expected to become managing editor of the Ottawa daily Le Droit, owned by publishing magnate Conrad Black. And judging by the contents of his letter of resignation, written by Mulroney's Lerville is unlikely to follow in the footsteps of his predecessor, Michael Goshorn, who went public with his made knowledge after he resigned. Lerville wrote that working close to the seat of power gave him a new respect for the democratic process. The letter states that behind "the partisan games" of politics "stands an immensely serious process—called democracy." And he concluded: "The man and woman who devote their life to politics do not receive the respect they deserve. Without them, democracy would only be a word."

Lerville: a new respect for government

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BY BARBARA AMTEL

Many years ago, I was seated backstage in a CBC studio where the producers for *Front Page Challenge* are locked up before the show. There we sat, a wallow, terrified me, so exquisite Betty Kennedy and a rambling Gordon Sachar, talking about many newsmen in the newspapers. Pierre Berton cut into the conversation. "It's not what they say about you," he said. "It's how much makes you not."

The wisdom of that comment seems evident to me even after a couple of rather odd weeks in which I could gladly have doordoned the odd journalist or two myself. Still, that's the downside of having some small success in one's profession: The upside of it all the nasty remarks that peppered the Canadian press about my friendship with Conrad Black is that, speaking for myself, happiness is an elusive blizzard and all the accolades in the world can't make it snow much any less sweet.

All the same, I can't help dwelling on some of the notoriety about me. I am, for example, rather bemused by the internal contradictions

of Canadian left-to rightism faced with my situation. I have been portrayed as a cross between a screaming Jambel (Rosemary Squire) in the Toronto Globe and Mini had me "chewing me up and spitting them out" I and a parasite haiku (as in *The Toronto Star's* Anne cartoon). I don't mind, of course, and rather wish I could get the note, but where, oh where, is the life of meat on my back that such a status might be honest?

Last month I celebrated my 29th anniversary of supporting myself via all-night sessions with an exciting combination of coffee, Aspirin and typewriter. Nothing special about that, lots of women work very hard. But it has one strain: though I'd love to stalk men and have

out it alone getting my device also managed to put the right glow, the choice has been between that and writing 3,542 political columns. Or as my former husband George Jones said to me in 1976 when I joined the McGill Club and began sipping around its track there.

is hilarious. Quoting Featherstone, Singh reminds me of another curious aspect of what has been written about me lately—the same where lots of people I have “dated.”

I once read in *data Amel*, "Fotterbarnism" conformed to a strict Concordian public in its apostolicated culture. Perhaps Allen was trying to make me feel better, but if there is one thing I know something that not having been asked about it is to have people ask you out to lunch! I might gladly have dated Allen Fotterbarnism, but for ever telephoned, but apart from a couple of evenings I rounded him up when we worked as journalists on assignments in Wisconsin at a Progressive Conservative leadership convention and in Washington at George Bush's inauguration. I was asked to report the Fotterbarnism never closer to "stop" me. I was equally fascinated to read Fotterbarnism's account that I had had "a number" with a son of Miranda Richter's. I only wish I had—if I grasp what "a number" is accurately.

What accounts for all this? Perhaps Poberg has been so confused with another journalist, the one who, as he succinctly put it, "flew to Vancouver for a party" and "discovered the eastern town... with her colorful language." He claims that as me and I would dearly like to be such a person and fly somewhere just for a party, but my flights, particularly to Vancouver, have been limited to addressing the Fraser Institute as the decline in Canadian ethics or to appearances on the Jack Webster show between Canadian press coverage and politics.

Had I been a real feminist, one of those "wage, sexually active females," as they are phrasematically put it, the Canadian media would have chosen what they refer to as my "divorce post," or at least turned a blind eye. If only I had been one of those women who consider marriage an oppressive institution and believe that the disparity of power between men and women makes any consensual sexual relationship irresponsible and therefore every act of love a rape, I may have been worshipped. But I happened to have written quite extensively about certain values and ideals and have castigated the values of the American feminist. I know as I know: my marriages and even the cup of coffee I had with a friend become "a step" in my Post.

Well, looks like I've lost a month or so ago, before all this fuss, when the *Globe and Mail* business editor David Olive put me down as a "right-wing crank" who wrote "in oblivion only for effect rather than from a deep-seated conviction." Most Canadian journalists wouldn't know conviction when it came to crime by the human rights commission. Mine are somewhere in the left-Mc Cassidy media who set up a split camp allowing diversity to view us in Europe and America. What on earth was there possibly to be gained in the 1970s and early 1980s, fighting against the west after the withdrawal of conviction?

This attitude to my professional accomplishment is pretty much at par with the attitude to personal events in my life. But, look, it's all fine with me. It's not what they say, it's the inches they give you, and how can you ever count them when bluebirds begin to sing?

The knives are drawn: my marriages and even the cup of coffee I had with a friend become 'an item' in my past. Well, bollocks.

times a week. "You are running away from book," he was right, alas. You can have firm thighs or complete a manuscript, but the two are incompatible. I chose the book, wrote *Confessions* and now avoid shorts like the plague.

Marriage, as it is to be seen, is a kind of a life—largely against the wind, which is less comfortable than the opposite. Back in the 1950s I had a brief seven-month marriage to a woman who was a very good person, and especially nice Toronto lawyer. The marriage, however, was to my wretched disposition, namely, I wanted a job and profession rather than children and a life of choosing Spode (which I did) and a life of choosing Spode (which I did). I made a home near the Toronto-Danforth line when they tried to get me to change my office across into my married name, I was lately refusing to do it. This was based on no theological sense, rather a view that my name was mine. One might suppose this would give me credit with the females now, but it was a factor of abuse in those days.

"The only thing she hates more than communists," wrote Allen Fotheringham in his contribution to the gossip guide of a couple of weeks ago, "is feminists." Actually, that is untrue. It's the totalitarian impulse I hate. I helped it on communists and these days I hate

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PRE-TIME PREMIER

BOB RAE FACES IRRECONCILABLE PRESSURES AS HE SEEKS A WAY OUT OF ONTARIO'S FISCAL MESS

GOING was the beating drummer of the booth-looking joltback. At a special all-day cabinet meeting last month, Ontario Premier Bob Rae went as far as officials from his treasury ministry conducted an exhaustive and exhausting five-hour presentation, illustrated with 84 transparencies of pie charts and graphs, laying bare his government's empty pockets. Their goal was to convince the 24 New Democratic cabinet ministers assembled around the 30-flooding oak table at the Queen's Park legislative building to reduce Ontario's deficit. In the face of mounting criticism, the assembled New Democrats agreed that would mean some combination of higher taxes and program cuts. But the measure anguished by that painful prospect—and its political consequences. Then, an aide suggested "Why don't you go on television and explain it to the people?" Implored Rae "That's it."

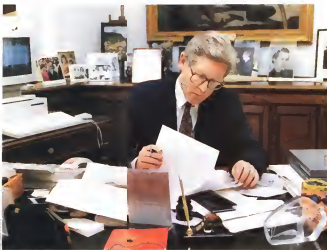
When that appeal to Ontario's taxpayers scheduled to air this week, Rae will launch an exercise in public pre-budget consultation of epic proportions. The premier is expected to present several options for making up a budget shortfall that could reach \$14 billion next year—with a clear warning for the public to indicate its preference among them. At the same time, he'll launch government spending. Meanwhile he's learned that Rae's government is set to announce the first freeze in payments to Ontario's municipalities, universities, schools and hospitals since 1982.

Rae's pressures are certain to intensify the swirls of conflicting pressures already at work as the 43-year-old premier, the first New Democrat to manage Canada's largest provincial economy. The supporting of advice directed at Rae's office ranges from the left wing, calling for a cash audit. New Democrats are wary of their changing that there is no danger

in running up the deficit—to business leaders who urge the slashing of the public service. Friends of Rae—who is married, with three school-age daughters—say that the demands on his time, attention and energy have taken a hard personal toll. Declared Leonard West, a Toronto lawyer and a close friend of Rae's since 1986: "He has lost his sense of humor."

Clearly, the outlook for Ontario's economy is worrisome for the government. Last April, Treasurer Floyd Laughren projected a record deficit of \$8.7 billion for the 1991-1992 fiscal year, a budget designed to stimulate Ontario's economy out of a year-old recession. At the time, Laughren undertook to reduce that deficit to \$5.9 billion for the next fiscal year that begins in April. But that prediction was based on the expectation that the recession would have ended in Ontario by the summer and that the economy would start to recover. That did not happen. During the last three months of 1991, layoffs and plant and asset closures cost Ontario 38,000 jobs, bringing the total losses to 252,900 since February, 1990. This week, Rae will point out that for the last year in four decades, provincial tax revenues declined during 1990. That continuing trend, coupled with increased welfare costs of \$1.6 billion, could push next year's budget shortfall above then \$3 billion beyond Laughren's forecast.

Rae now plans to present his government's decision to meet Laughren's original \$8.9-billion deficit target—even at the cost of some painful measures. As the premier prepared for his speech, advisers urged him to make it plain that his government has already acted to ease its spending. To that end, Laughren has learned that Rae is set to order all of his ministers to freeze their budgets at current levels. As well, the premier will stress the agreement that his administration struck last week with the Ontario Public Service Employees' Union, giving 68,000 provincial civil servants a pay increase that can get out the year and two per cent next year. That settlement is down sharply from the



government job out of Toronto's less pay per cent. The settlement, which the union selected from the Liberals, has been widely accepted by provincial employees. But the job security provisions are more likely to prove divisive. Last-time union negotiator, who requested a pay raise. "Members have placed saying, 'All we want is our job—we don't care about a wage increase.'"

The tentative settlement is important to Rae's government. For one thing, officials say they hope that it will serve as a model for

per cent in each of the next two years. These rates are down sharply from increases that averaged more than eight per cent a year after the past two years.

The action will provoke a protest from the affected communities and institutions. The Ontario Hospital Association, for one, maintained that its members would need an 8 per cent increase in payments from Queen's Park simply to maintain current services. With payments frozen, the association insists, Ontario's 223 hospitals would be forced to lay off more

National Notes

PERFECTING AN APOLOGY

Former Indian Affairs Minister Thomas Siddons believed that he is prepared to follow the recommendations of a Canadian Human Rights Commission report and apologize to 17 local families who were moved to the Haida site from their homes in northern Quebec during the 1950s.

DRUG WARS

Consumer groups and provincial health ministers reacted sharply to International Trade Minister Michael Wilson's announcement that Ottawa will extend patent protection on pharmaceutical drugs to 20 years from 17—a move that will delay the availability of cheaper generic drugs. Declared Saskatchewan Health Minister Louise Stinson: "It will cost substantial amounts of money to pay for brand-name drugs, when we should have the option of buying less expensive generic drugs."

UPPER CHAMBER CUTS

The Senate cut its spending for the 1990-1991 fiscal year by almost two per cent. The new budget of \$43.7 million is \$104,000 less than the current year's expenditures.

FINDING THE GAP

Prime Minister Jean Chrétien appointed former journalist Michel Roy as his senior adviser. Roy, a specialist in constitutional affairs who was a senior adviser to the federal cabinet, succeeds Hugh Segal who became chief of staff in the Prime Minister's Office a week earlier.

BUCHANAN CHARGED

The Senate announced that no charges will be laid against former Nova Scotia premier John Buchanan after a seven-month investigation into allegations that a secret trust fund was used to pay off some of his debts. In September, police also charged him of allegations of corruption while he was in office. Buchanan, who was appointed to the Senate in September, 1990, welcomed the end of the investigation, commenting: "This is a new era opening up for me."

THE NAKED TRUTH

Owen Jacob, 25, a student at the University of Guelph in Ontario, was found guilty of indecent exposure and fined \$15. After offering a speech about sex on a stage before last July, Jacob had exposed his buttocks and ears should enjoy the equal right to take off their shirts in public. But Ontario Court Judge Bruce Page disagreed, saying that "anyone who thinks male breasts and female breasts are the same thing is not living in the real world."

Rae in his Queen's Park office: a decision to go on TV to explain the problem

municipalities, universities and school and hospital boards negotiating new contracts with their employees in the coming months. All of those agencies have already reduced income from the provincial government. The scope of that reduction may be made clear earlier on the day of Rae's television address, when Laughren plans to announce a one-year freeze on any increase in provincial transfer payments to municipalities and public institutions.

In addition, Laughren is expected to announce that payments will rise by only two

than 13,000 employees and close more than 4,000 beds. Acknowledged one of Rae's advisers: "We know that hospital and school boards will be following, that mayors will be upset and that students' associations will be unhappy."

Rae's apparent determination to meet his treasurer's deficit target alienates the Ontario NDP leader out of step with much of his own party. Several senior association presidents censured by Wilson's across the province said that the government should allow the deficit to increase rather than cut programs or

5 per cent increase that the steel employees received in 1991, when Rae's government was the only provincial administration that did not restrict public-sector wages.

In spite of those minimal raises, the union's members appear likely to accept the settlement in a vote next week. For one thing, the NDP made it plain during negotiations that the alternatives included layoffs for up to 10,000 employees during the next two years. But the proposed settlement contains critical trade-offs, as well as exchange for wage restraint. The union was job security provisions and a two-year deferral of a plan to transfer 3,100

force hospitals to close beds. Jonathan Robinson, for one, a 35-year-old schoolteacher who is the NDP president for the eastern Ontario riding of Lanark/Renfrew, would accept a provincial deficit as high as \$14 billion—rather than any program cuts. "I'm realistic to expect people to starve!" said Robinson. Added Leon Miller, association president for the economically depressed northwestern of Niagara/Muskegon: "The deficit last year was not a big problem. People here see themselves as beneficiaries of the deficit."

Rae's hard line on the deficit may widen a gap that has opened between the premier and his grassroots supporters, especially over other issues. One is the so-called environmental bill of rights that the new new government planned to enact quickly after coming to office in the fall of 1990. It was a contrivance of NDP campaign promises. But the policy remains stranded in the provincial bureaucracy—and party activists are growing impatient. Among the problem areas: Environmental Minister Judith Gies remains distracted by a number of disputes over new landfill sites for municipal waste. Said Linda Gosselin, vice city councillor William Goring: "She has essentially become the minister of garbage."

As well, party stalwarts have criticized Rae severely for shelving plans last fall to introduce public auto insurance. Said Robert Wood, NDP association president for the southern Ontario riding of Burlington South: "We are a bit less concerned with the performance of the government on economic issues than we were insurance and the environment—where we don't think they have gone far enough."

But it is not only the party left that is pressing Rae. At the other extreme, conservative critics have strangled him for allowing Ontario's deficit

province to break. "You can't spend yourself rich."

But the voters that Rae will likely learn to most closely belong to the few friends and associates who have quietly worked with him from the beginning of his 15-month-old government. Among them, John Davis, secretary treasurer of the Ontario Federation of Labour and co-leader of Rae's successful 1990 campaign, former Ontario NDP leader Stephen Lewis, whose name, Janet Selberg, works as an adviser at the premier's office, Jeff Blane, Ontario's deputy minister for intergovernmental

Other advisers, like McClellan and Agnew, have urged Rae to follow the advice of treasury consultants to cut the deficit.

In the end, the choices will clearly weigh heavily. Said Wae, a close friend of Davis since they met as students at the University of Toronto: "The guy is so glib, I don't know where he is. The deficit is overwhelming, and it's got to be many things on his mind, he doesn't follow a straight line in a conversation. He ends in the wrong place, and he keeps looking at his watch for some reason."

According to Wae, the demands of power have strained Rae's relationship with other friends, as well. Where Rae was opposition leader between 1985 and 1990, Wae would frequently drop in unannounced to have lunch with his friend at Queen's Park. Now, notes Wae with evident regret: "he's got about 50 secretaries whose job is to stop people from seeing him." When Wae does see Rae at his office—usually for less than 10 minutes—the premier's secretary shooes him off the visit at the scheduled time. Rae's 24-hour police bodyguard is an additional obstacle to relaxed companionship. On one occasion at Queen's Park, Wae recalls, Rae asked the guard if he would stand waiting outside while he and Wae raised the neo's room. The guard agreed on entering the two men inside. Said Wae: "The cop had to watch us while we peed."

The premier is clearly at alone as feeling the political pressures in his government. So many veterans disavowed of Queen's Park, the tension among even former government staff members has become palpable. Quipped a former Wae: "When I walk into Queen's Park, all I see is people looking around corners, people wondering who is talking to who and people scared of being seen with certain people."

Does without the advantages of high office on Rae's personal life, Ontario's top politician is clearly at an unenviable position. No matter what economic course he sets as the government's spring budget—which will be presented a few weeks after the legislature returns on March 9—he will have powerful interests committed. Said July Davis, now association president for the Toronto riding of Etobicoke West: "I'm glad I'm not Bob Rae."

PAUL KADILA with DEAN BERGMAN and JEFFREY KAPLAN in Toronto



Emergency room: hospitals may have to close more than 4,000 beds

affairs and a close friend of Rae's for more than 25 years, and the premier's policy adviser, Ross McClellan, a former New Democrat MP. Other influential advisers include the premier's brother, John Rae, a vice-president of Muskegon-based Power Corp., who is also a confidant of federal Liberal leader Jean Chrétien, and the old Agnew, the premier's personal secretary and aide since 1985.

But there is disagreement even within that inner circle. For his part, Lewis has advocated avoiding both tax increases and program cuts by letting the deficit rise above \$30 billion

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Goggin: the prospects of political disruption have left people fearful of personal upheaval

Letter from Fort Coulonge, Que.

'There could be chaos'

In stark contrast to the often complex constitutional debates currently preoccupying many Canadians, Fred Ryan's vision of the future is clear, direct—and certainly different. The 50-year-old newspaper publisher and president of the Franco-Business and Tourism Association says that he wants to carve an autonomous duchy and tax haven out of the vast, largely rural Québec region of western Québec. Ryan, the integral chairman of a group called the Committee of the Duchy of Poitou, readily agrees that the action may appear far-fetched. But, he declared during an interview last week in his office in Fort Coulonge, Que., 115 km northwest of Ottawa, "It is not. It is perfectly legal." While Ryan says

that his committee is finding growing support in the region for his plan, its chances of success appear slim. But the initiative underscores the ferment and anxiety in western Québec over the region's future as the seat of either decentralization of federal powers or the outright independence of Québec. Said Ryan: "The just want to solve our own problems. The only growth industry in this country right now is constitutional amendments, and that isn't coming up with anything. Well, we are."

Positive residents are not alone among Québécois in their concerns about what constitutional change may bring. To the east, in the neighbouring Outaouais region that lies directly across the Ottawa River from the nation's

capital, 25,000 people—fully one-quarter of the workforce—are employed by the federal government. Another 34,000 are employed by 1 private interests in Ottawa. Many Outaouais residents say that they fear that the seigniorial chaos jobs could be lost if the country experiences massive changes. As a result, local planners and municipal officials are studying the region's prospects in a future that may be radically different—perhaps even distant times.

Some residents are even discussing the possibility of establishing a new province in the Ottawa-Hill area of Québec banks away from Canada. Said Jean-Marie Séguin, chairman of the Outaouais Development Corp and one of six members of a committee examining the

effects of Québec independence or decentralization believe in the area. "We are facing a difficult time. There could be chaos here unless the Outaouais gets some special attention."

Certainly, the prospects of political disruption have left many people in the Outaouais fearful of personal upheaval. Jean-François Goggin is a supervisor with the federal department of energy, mines and resources who lives just 30 km northwest of Ottawa in the Outaouais community of Agincourt. He has been commuting to work with a nation's capital for 31 of his 48 years. Goggin's wife, Danielle, also works on the other side of the Ottawa River—in an administrative role for the University of Ottawa. Goggin says that he fears that both their jobs could be lost if Québec secedes. "Any major change could certainly disrupt our lives," and Goggin, a father of two, "if our employees decide they will no longer employ people from outside Ottawa, then we have two choices, either we change our work and stay in Québec, or we move to Québec."

That uncertainty is also reflected among members of the business community, both in Ottawa and in western Québec. Patrice Doyon, an Ottawa-based steel fabricator with several subsidiaries in western Québec, said that he expects the region to suffer tremendous economic dislocation if Québec secedes.

Premier Robert Bourassa is bound by provincial legislation to hold a referendum on the province's future by October. Before that happens, said Doyon, his company "will liquidate some properties." He added: "If no one else is going to sit and sell the steel and take a cash loss, our money will be up in Ottawa banks." His real estate agent, Charles Labellie, meanwhile, told Maclean's that if Québec achieves sovereignty, "We're going to move for the next 18 years." Added Justin Goss, mayor of the Outaouais community of Chelsea, 20 km north of the capital: "People are very, very worried by all this."

Some western Québécois have reacted to the current uncertainty with passion—even defiance. Raymond Meland, a 44-year-old entrepreneur at Lanfleur, 30 km west of Hull, for one, has hung bars open outside his restaurant and frozen-food outlet and on his tracks that say, in both French and English, "Proud to be Canadian." Declared the Hull-born Meland: "If those people would just leave they're Canadian instead of just yanking in the backbones, we'd be better off." In nearby Shawville, sporting-goods owner Barry Murray has repeatedly fought with Québec language authorities over his alleged contraventions of the provincial ban on the use of English on commercial signs. Assented Murray: "Nobody here wants to live in a separate Québec. Just about everybody comes from families that have been here for centuries. We are Canadians—it's in our blood as far as I'm concerned."

The prospect of living in a sovereign country clearly fills some western Québécois with dread. One day in the region's 250,000 people are English-speaking. And, said Donald Barber, 38, the manager of a Shawville clothing store, "Nobody would want to be part of an independent Québec. We already feel we have our rights trampled on by them." In the eyes of many of the region's shopkeepers, an independent Québec would be even more disruptive of their rights. Many residents express the fear that western Québécois, with little more than four per cent of the province's population, will enjoy little political clout in a Québec that is sovereign—or even in a province that has assumed many federal powers in a new and decentralised Canadian federation. Said Mark Anden, Liberal MP for the area: "We are going to be subjected to what the rest of Québec wants."

Although those sentiments may be difficult to dispel, Québec provincial politicians, outgoing from the opposition separatist Parti Québécois, have attempted to allay concerns—at least about unemployment and economic dislocation as a result of secession. PQ ministers have told federal employees living in the Outaouais region that jobs would be found for them in the public service of a sovereign Québec. But there is widespread skepticism about such assurances. Said Mr. Anden: "While several groups are always trying to make the civil servants believe that they will all be needed by Québec. But they don't believe it." And the Outaouais Development Corp's Séguin pointed out, civil servants are moved elsewhere in Québec; the Outaouais region will not be dominated by their department. Said Séguin: "This doesn't solve our problems at all."

Still, many residents do work out alternatives for the threatened region. The six-member Outaouais Development Corp. which Séguin sits on, has held two mass meetings over the past two months to examine solutions for any impending difficulties. The two goals of the committee, headed by Mayor Meland and Barber, are to suggest ways to create economic diversification in the region and to maintain levels of employment. The committee is due to present its report late next month—and there is no shortage of ideas. Some residents argue that, with its highly qualified workforce, the Outaouais could become a centre for scientific and technical enterprise. Others suggest that an independent Québec could relocate some of its ministries to the Hull area—and that enterprises in the newly sovereign country would find their natural home across the river from Ottawa.

A more radical idea that has had its champions in the past, and has now gained some advocates, is the creation of a new province in the Outaouais-Hill region. Said David Pritchard-McIntyre, executive director of the Outaouais Alliance, a community organization for western Québec's 48,000 Anglophones. "People are looking at that question—it has gotten a lot of traction with the whole question of sovereignty hanging at the door." Others, though, dismiss the idea. For one thing, Jean-Henri Harvan, a vice-president of the Public Service Alliance of Canada, noted that the economic impact on the area resulting from either Québec sovereignty or a decentralization of federal powers would make the creation of a new province there "impossible." Added Harvan: "If the federal government in power is to be reduced drastically, the industrial infrastructure will not create enough revenue to sustain another province." Even short of outright secession, the area's economic decline is not particularly appealing.

Other alternatives may appear even more feasible—in spite of their staunch supporters. In his Fort Coulonge office, Fred Ryan pores over a stack of documents, press clippings and correspondence—aiming to win him to have the Panther region into a duchy. Ryan envisages a tax haven presided over by a largely occasional duke or duchess appointed by the Queen and governed by a municipal council. Said Ryan: "Whether you like it or not, it is, we are a monarchy—it's the way we exist."

Under the plan, first broached publicly in June, Poitou would create a duchy accessible to banks and corporations by passing special privacy laws. Ryan said that the laws would enable Poitou to become a North American Liechtenstein. That they European privacy, Ryan said, "was, 40 years ago, just fancy and pure fantasy, too." He added: "Now there are 50,000 foreign corporations there and the average income is \$25,000. I think we could do worse."

Ryan acknowledges that he faces huge obstacles in trying to achieve his goal. For one thing, he said, while the Queen could grant letters patent creating a duchy, she would be unlikely to do so without consulting other Canada or Québec. Neither would be likely to grant the duchy without the approval of the western Québécois, even if the duchy were their place—especially at the beginning of a year of constitutional bargaining that could result in radical changes to their lives and livelihoods.

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Spotlights on the future

Arguments overshadow emerging compromises

When the federal government accepted its ambitious plan for national unity in September, Constitutional Affairs Minister Joe Clark asked potential critics to leave their fears for at least three days. Federal officials said that a week attack on the new framework would subside it within 24 hours. In fact, only as occasional allusions marred the cascade for a full three months. But this month, the true hostility erupted as, one by one, provincial premiers have unleashed a barrage of criticism and demands at the federal position. For some analysts, the wide divergence of views that quickly became evident among the provincial leaders was a danger signal. This was not the case for Quebec's minister of intergovernmental affairs, Donald G. Tremblay. "The discourse that is under way is not all discordant. There is finally constitutional debate."

Alberta Premier Donald Getty held the shut that repeated the angry battle. He attacked official bilingualism with a "Manifesto that set the tone for a discussion of constitutional devolution that followed. As Getty himself told his Edmonton audience on Jan. 8, "This is not an occasion for secrecy or mystery. We need open dialogue—and the debate needs to be honest and direct." It has been that. In the weeks following Getty's speech, half a dozen premiers from across the country made their constituents aware of the issues they often in terms to conflict that they seemed almost irrelevant. Said Newfoundland's Clyde Wells, for one, of Ottawa's proposal to decentralize Quebec in the Confederation as a distinct society. "Other Canadians are personally offended by my suggestion that they are somehow ordinary and Quebec is distinct."

But Newfoundland was not the only observer who claimed to see power gradients concealed within the premises: often provocative rhetoric in Ottawa. Clark tried to dampen the significance of these mostly soundly received constitutional statements. "No one should be surprised by remarks that crumle, bubble," and Clark "they are part of the constitutional discussions." Indeed, he insisted that federal officials were focusing on the "quite constructive progress" being made in the debate over

the future of Canada. For Clark, even Getty's speech included "helpful suggestions, moving towards—not away from—some kind of consensus."

Among the signs of growing consensus that federal officials claim to discern is the recognition of Quebec as a distinct society—the focus of much of the hostility towards the proposed Meech Lake accord. With the distinct elements

breaking recommendation that Canada sign a national treaty of reconciliation with its native peoples, recognizing their "inherent" right to self-government. The inclusion of the critical word "inherent"—significant because it implies that native rights to self-government do not depend on the government established by later treaties—was immediate praise from Grand Chief Ovide Mercredi of the Assembly of First Nations. The proposal, declared Mercredi, exceeded "by 1,000 miles" the federal offer to confer self-government on nations within 18 years of a new constitutional deal being agreed. Clark, for his part, described the P.E.I. premier's idea as "a quite constructive contribution."

The federal minister said that he also detected movement on the same note from Alberta's



McKenna addressing unity committee (with its co-leader, Dorothy Donaghy) disapproves

of the province's society more specifically defined in the government's latest set of proposals as including the French language, culture and civil laws, code, even Wills, as well as the right of French-speaking Quebecers that he could "accommodate" the phrase. And Getty, despite his criticism of official bilingualism, also remains a supporter of the distinct society clause. In his controversial speech, the premier said that Alberta could accept the idea as long as it did not mean that Quebec would have a "preferred or special" place within Confederation. Leaders of the Western-based Reform party—a group outside the federal Conservatives in Alberta—say that a "too" would be willing to endorse some form of distinct society clause if it does not give special privileges to francophone minorities outside Quebec.

As well, there has been a shift in the way some political leaders now view regional rights. P.E.I. Premier Joseph Ghis, for one, visited Ottawa last week to deliver a ground-

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Clark accepting a gift in

Reinforcing government's 'breakthrough'

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Tanks and troops in Algiers: democratically elected Muslim fundamentalists were poised to win control of parliament

ALGERIA

Islam's broadening sweep

A new regime cancels elections

It was a time when Algeria, a one-party Marxist state since it won its independence from France in 1962, prepared to become a democracy. Instead, tanks and troops roamed the streets of the capital, Algiers, in a menacing show of force following what some Western diplomats characterized as a coup. Muslim fundamentalists, who had been on the verge of winning the North African country's first free parliamentary elections on Jan. 15, denounced the new regime as unconstitutional. And they announced a call to arms, officials of their political party, the Islamic Salvation Front, declared. "It is essential to prepare for all eventualities to save the country, its sovereignty and its inhabitants." As a result, some analysts predicted that the new regime would declare a state of emergency, allowing it to suspend the constitution. Although the threatened fundamentalists later toned down their rhetoric, the potential for violence hung over the desert nation of 38 million like the first Saharan sun.

The crisis followed the resignation of President Chadli Bendjedid on Jan. 11, five days before the Islamic Salvation Front, better known by its French acronym, FIS, was poised to take control of parliament. In first-round voting on December 1, the FIS had captured 188 seats in the 430-seat National People's Assembly, needing only 24 more in last week's planned second round to win a majority. The FIS has vowed to transform Algeria into an Islamic state, calling for a ban on alcohol, the segregation of the sexes and for "protecting the family"—a euphemism for denying jobs to women. The party's immediate victory raised the prospect—widely feared by secular leaders in the region—of fundamentalists gaining strength in neighboring countries.

The situation proved unacceptable to the country's secular power elite. Analysts insist that the military, angry with Bendjedid for ignoring opposition parties in 1988, forced him to resign. The High Security Council,

made up of cabinet ministers and military officers, assumed power and promptly cancelled the second-round elections. Thus, the council set up a collective presidency with a mandate to govern until the end of 1993.

As tensions increased throughout the week, reacting leader Abdelkader Tachacouti sought to avert bloodshed. He appealed to the army not to act as what he called a "viceroy force for the parts of power." And carefully choosing language to appeal to Western leaders, who remained conspicuously silent about the Muslim political upheaval, Bendjedid pledged to pursue the struggle for an Islamic state "with wisdom and political legality." Still, the prospect of Algeria governed by Muslim fundamentalists clearly worries secular Arab neighbors and Western leaders alike.

Many government officials expressed concern that an Islamic regime would try to export its religious revolution, as first tried by its leader Ayatollah Ruhollah Khomeini. Said Robert Soloff, an expert on Algeria with the Washington Institute for Near East Policy: "An Islamic state in Algeria will threaten all the states that recognize it as the nation." He added: "It will find strength in the opposition forces in Tunisia, Morocco, Jordan and, to a certain extent, Egypt."

In the battle for support, Algeria's new regime tried to make the leadership as locally based as possible. The nominal leader of the five-man collective presidency, known as the

High State Council, is 72-year-old Mohamed Boudiaf, a hero of the 1954-1962 war in which the colony of Algeria gained independence from France. He had been a exile since 1964, when President Ahmed Ben Bella sentenced him to death for political activities.

The FIS appealed most directly to disaffected Algerians, nearly 75 per cent of whom are under 30 and predominantly underemployed. Said Steven Thayer, deputy director of Middle East Studies at the Washington-based Center for Strategic and International Studies. "The frontispiece in Algeria because of its benefits of modernization and economic development have not been shared equitably." He added: "These people feel that they must try something else, and the something they must have roots in their own culture and history."

The upheaval not only derailed the FIS, but also ended the nearly 20-year reign of Bendjedid's socialist National Liberation Front (FLN). The FLN's rule began to weaken in 1985, when high unemployment among Algeria's youth led to countryside riots. Bendjedid and the army put down the uprising, in which at least 150 people died. At the same time, he pledged to introduce sweeping economic and political reforms.

Analysts say that these moves were directed against the secular, ex-Bendjedid. In December 1988, he was re-elected—initially in part—for a third term, with 81 per cent of the vote. Bendjedid swiftly changed the power structure, making government unanswerable to parliament control of the FIS. In February, 1989, a new constitution, approved by 75 per cent in a referendum, dropped the state's commitment to socialism and allowed the formation of rival political parties.

In June, 1990, Islamic fundamentalists captured more than half of Algeria's municipalities in nationwide elections. Encouraged by the results, the newly awakened FIS announced plans to challenge the government in 1991 parliamentary elections. But at once, after fundamentalist protests against what they claimed were biased election rules exploded into new riots, Bendjedid postponed the vote—and declared a state of emergency. In December, when Algerians finally went to the polls, Bendjedid's stated goal of restoring a secular, liberal democracy appeared doomed. His vote was only 15 seats in first-round voting on Dec. 30, and it was prepared to concede defeat to the Muslim fundamentalists last week.

Despite Bendjedid's reforms, some Western analysts say that Algerians had lost confidence in the FIS. They cite rampant unemployment—about 30 per cent of the workforce is idle—and shortages of consumer goods. Algeria's standard of living slipped sharply as a

result of the 1985 drop in world oil prices, current petroleum revenues of about \$13 billion are down two-thirds since the oil boom of the 1970s, and many other earnings now serve the \$25-billion foreign debt.

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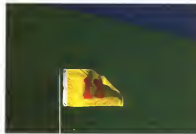
For his part, Ben Wilson, executive director of the Ottawa-based National Council on Canada-Arab Relations, said that discrediting was widespread. He added: "There is a huge number of Algerian youths who are totally frustrated with their lives. There is nothing due to them."

Despite offering mild denunciations of Alge-

ria's recent from democracy, the secular governments of neighboring Arab states were clearly pleased that the coup took place. At the same time, most Western governments were largely unimpressed with the Islamic fundamentalists' rise to power. The Islamic fundamentalists, who have large Arab populations, were noncommittal. And as for Washington, External Affairs Minister James McInnes said he welcomed the response to a reporter's question. Said McInnes: "We are concerned and hopeful that within the constitution, there can be a peaceful solution and that the democratically elected parties will be able to assume their responsibilities."

The generally subdued Western reaction drew a political dilemma. "The West is caught between democracy and Islamic fundamentalism," said Soloff. What remained unclear at week's end is whether Algerians voted for the FIS out of a real desire to live in an Islamic state, or whether they wanted to send a powerful signal of their discontent to the ruling class. But clearly, Western countries met the death of democracy in Algeria with barely disguised relief.

ANDREW BREGLI with WILLIAM LOWMYER at Washington. GLEN ALLEN in Ottawa and correspondence reports



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GERMANY

A house of horrors

Stasi victims discover their accusers

Emerging from the east, a 14-16-year-old Stasi officer building that used to serve as headquarters for East Germany's secret-police organization, 56-year-old Gerd Poppe appeared bewildered and shocked. Once a prominent East German dissident, Poppe said that he knew the former Stasi secret police had kept him under surveillance for at least 15 years, from 1970 until the fall of the Communist regime in 1989. Thus, when the new German government allowed Poppe and other Germans to examine their Stasi files earlier this month, he saw for the first time the full extent of their investigation: 13,000 pages of data based in 12 encyclopedia-sized volumes. He discovered through the files that in 1987, the Stasi, the former East German security force, state security, or *Staatssicherheit*, had even concocted an elaborate plan to destroy his marriage, including using an agent who was instructed to try to seduce Poppe's wife Ulrike. That plan was actually abandoned. He also found that more than 60 jail and psychiatric Stasi reports had been designed to follow him and report on his activities. Although Poppe's file listed only the agent's code names, he said that he was sure of the true identities of at least 30 of them—and that he had once counted scores of them among his friends. He vowed to track down the man Dedward Poppe "We will find all of you, all of you."

After the fall of the Berlin Wall in November, 2000 thousands of anti-government demonstrations fanned their wrath on what was perhaps the most hated symbol of government repression, watching secret Stasi offices in East Berlin to destroy 100 km to the southeast. And among the former East Germany's 17 million citizens, the demands for retribution against officials of the deposed Communist regime continue to grow. More than two years after

the end of Communist rule, the victims of Stasi surveillance and intimidation are finally being allowed to see their files under a law that took effect on Jan. 3.

The sheer volume of information, accumulated by an estimated 80,000 secret police

men—and long-lasting social effects.

More than 200,000 people have already submitted applications to view their files. Although only a few have seen theirs for the first time, the reports of applicants' lengths, issue German newspapers say that the files could provoke acts of revenge. And last week Peter-Michael Dettl, leader of the Christian Democratic Union in the central German region of Brandenburg, urged the government to restrict access to the files. Dedward Dettl: "It is extremely dangerous because much of the information is false and no one can really report's accuracy."

Dettl also accused several church leaders of having cooperated with the East German regime, including Lutheran pastor and former dissident Joachim Gauck, who now heads the government commission that is opening the files to the public. Dettl claims to have seen transcripts that detail discussions between Stasi officials and local bishops and pastors. Dedward Dettl: "Not one of them managed to survive as they did in the old East Germany without making compromises with the system."

Published reports based on leaked Stasi files have already destroyed the careers of such senior politicians as Lothar de Maizière, the former minister of East Germany, who was alleged to have been a Stasi security code-named "Carra." He denied the allegations, but quit politics last year. Another politician, once named "Marschall," has been identified as published reports as a prominent former dissident, Erhard Hübner. About a month before the fall of the Berlin Wall, the Stasi ordered Hübner to undergo a hearing by policemen during an anti-government demonstration in front of a church. A week later, with his credibility as a dissident shattered, Hübner co-founded the Social Democratic Party. He now heads a book-store in the first free elections for East Germany's prime minister. But friends of his Stasi connections suddenly forced him to drop out of politics when Poppe



Citizens raiding Stasi office in 1990: rooting out collaborators

officials and several hundred thousand of their occasional informers, a staggering. There are no million-dollar war-crime trials for 300,000 who had said to end. And they are like a Pandora's box—containing information, as well as destruction, that may expose victims' friends, relatives and even spouses as Stasi collaborators. The next 10 years are expected to have explo-

red at his own Stasi file, he discovered that "Marschall," who had once been a friend, had filed reports on his activities until October, 1989.

It is partly because such allegations of Stasi collaboration created an atmosphere of distrust not only among politicians, but also other Germans, that many people demanded that the



A Lingering visit for victims of secret-police repression: I want to know who blew the whistle on me for no reason

Gauck commission open access to their files. Stasi officers argued that the documents could help fuel Stasi claims that had turned reputations unfairly—and expose the true culprits of repression.

Maria Meier, a 69-year-old retired east Berlin factory worker, told Marlene's last week that he was sure his Stasi file Meier said that in unknown circumstances someone had tried to seduce his wife. Another man, once named "Marschall," has been identified as published reports as a prominent former dissident, Erhard Hübner. About a month before the fall of the Berlin Wall, the Stasi ordered Hübner to undergo a hearing by policemen during an anti-government demonstration in front of a church. A week later, with his credibility as a dissident shattered, Hübner co-founded the Social Democratic Party. He now heads a book-store in the first free elections for East Germany's prime minister. But friends of his Stasi connections suddenly forced him to drop out of politics when Poppe

or informed on me in some other way."

In another instance, Vera Wolfenberger made a chilling discovery. Because her father had been a leader of the East Stasi, she was a child of the Communist elite. But Wolfenberger left home when she was 18 she says, and became involved in the fledgling East German peace movement. It was through those activities that she met Karl Wolfenberger, and married him in 1991, unaware that he was a Stasi agent code-named "Donald." For most of the last decade, Karl Wolfenberger wrote regular reports for the Stasi about his wife, her acquaintances, her conversations and even their own family life. It was not until late last year that Vera Wolfenberger, now a 34-year-old Green Party member of the German parliament, first heard rumors about her husband's Stasi connections. She confirmed the information through friends on the Gauck commission, then discussing it with her husband, the father of their two young children. She says that she is now planning to divorce him. "How could it be," she told the German magazine *Der Spiegel*, "that such a free-spirited father could write such things as a [Stasi] report?"

Most of the Stasi documents are in explosive form. Some people who have seen their files say that the reports are largely benign, and that the Stasi appears to have been obsessed with intimidation and spying on dissidents that it failed to detect the widespread discontent that events

ally swept away the Communist state. "The Stasi collapsed largely because it was crushed by the weight of its own sins," said artist and dissident Harriet Böhling, whose own Stasi file includes an agent's report that she had gone out three times to put out rubbish. Added Poppe: "The facts are of once others correct and, at the same time, misinterpreted and misused."

Rainer Eppelmann, a Lutheran pastor and now a Christian Democratic Union deputy in the German parliament, said that Germans should have the right to look at their own files. Said Eppelmann: "Those who so far have had a chance to view their files have behaved responsibly." But he warned that the experiment could be traumatic. When he looked at his own file, Eppelmann told Marlene's last week, he suddenly "lost many of the good memories" he had of people who he now knows were informers against him. "What bothers him most, he said, is that the informers "would not come to me to tell, or hint that they had done this to me." (But Eppelmann said that he is glad he saw his file.) "For myself, it was necessary," he said. "I am more often because of it, but also power as a way." Now, hundreds of thousands of other Germans must decide whether they are willing to pay the price to read and find out in order to discover the truth.

MARY MEIER with
JOHN MULLAN in Berlin



U.S. troops in Saudi Arabia: policy seemed based on mood swings

wrote the author, "Saudi Arabia was never directly threatened and Pöhl acted only after being subjected to enormous pressure from Washington." By September, Bush's goal of defending Saudi Arabia had expanded to the liberation of Kuwait. In November, the desert operation was reinforced to provide "an offshore option." And in December, Washington worked with the United Nations to deliver an ultimatum demanding Iraq's withdrawal from Kuwait. wrote Smith: "George Bush, it seems, wanted a light act, so future mistakes will not end, he provoked Saddam into obnoxious lies."

Smith credits Bush with "instability." Gulf War diplomacy he temporarily siding Arab and Israeli, warning Soviet and Chinese support at the United Nations, enforcing the once-vilified Syrian with respectability and persuading other countries to pay most of the Pentagon's bills. But in the end, Smith wrote, the President ordered automatic Kuwait aid to "appear to have lived without causing 'maximum human suffering' and debated Congress by escaping an exclusive constitutional authority to take the nation to war. On Jan. 12, Congress finally approved the President's policies because, said Smith, it "had no option but to enter the war that was all but certain."

Smith wrote that "Bush's assertion of arbitrary presidential power is a throwback to the days of the English monarch." He added: "It is unapologetic in usage, president or the text of the constitution. George Bush may have enjoyed the power for determining war or peace. George Bush does not."

Smith, a native of Washington, joined the University of Toronto in 1965. In an interview with *Maclean's*, he said that by an executive use of power, Bush "short-circuited the entire democratic process. His actions put the United States government on a par with a totalitarian system."

Smith said that in order to reverse that process, Americans should insist that Congress discharge its responsibility. "Congress can assert itself if it wishes," Smith said. "Frequently, it pretends to dodge—as it did in this case." In the meantime, he added, there is still action for the world to be concerned. "Because of Bush's actions, it will be for many for a future president to go even further," he said. With the United States now challenged as a superpower, it was not a reassuring prospect.

RAE CORRELL

WORLD

THE PERSIAN GULF

Spoiling for a war

A new book savages President George Bush

A 1:58 p.m. EST on Jan. 16, 1991, the American cruiser *Bunker Hill* fired a Tomahawk missile in the northern Persian Gulf, igniting the Gulf War between Iraq and a U.S.-led coalition of 38 nations. That campaign to free occupied Kuwait ended 43 days later with some Iraqi cities, the economy and armed forces in partial ruin. Last week, on the first anniversary of the war's outbreak, scholars, politicians and others were debating the legitimacy and consequences of the lessons air and ground assault that, by most estimates, killed more than 100,000 Iraqi troops and civilians. Among the strongest critics: Jean Edward Smith, a U.S.-born University of Toronto political scientist and author of *George Bush's War*, a 361-page history of the conflict published by Henry Holt and Co. of New York City and scheduled for release in early February. The President, wrote Smith, was determined to fight Iraq that he believed the agent of the crisis, chosen by the American people and misled Congress. And, added the 39-year-old Smith, "It is far from clear that the war was necessary."

Drawing on scores of historical, constitutional and military authorities, Smith's detailed

narrative opens with Iraq's strike into Kuwait on Aug. 2, 1990. It closes with the *Bunker Hill's* missiles signalling the outbreak of the war that the Americans called Desert Storm. Between those two milestones, wrote Smith, "American policy seemed to be based on the mood swings of a president." One of the most dramatic of those swings occurred only hours after the Aug. 2 invasion. Leaving Washington for a meeting in Japan, Colo., with then-British Prime Minister Margaret Thatcher, Bush said that he was not contemplating intervention in the Gulf. But according to Smith, Thatcher convinced him that the loss of Kuwait "was equivalent to the seizure of Czechoslovakia at Munich" on the eve of the Second World War. "She encouraged him to stand up to Saddam [Hussein] and force him to withdraw," wrote Smith. Shortly afterward, Bush accused Hussein of "intolerable" behavior.

From there, Smith contends Bush steadily widened U.S. objectives "and made war all but inevitable." In the beginning, the President said that troops were being sent to the Gulf because Saudi Arabia's King Fahd feared an Iraqi attack and had asked for help. However,

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THE BULLS ARE RUNNING

At first place, few companies appear to have less appeal for investors than exuberant Nova Corp. Retarded by weak world demand for its petrochemical products, the Calgary-based company lost \$526 million in the past month that ended Sept. 26. It also repaid two of its senior executives recently and wrote down its assets by \$675 million—as acknowledgment that falling chemical prices have reduced the value of the company's holdings. But last week, in North American stock markets, things were new highs. Nova added \$246 million of new common stock—and investors snapped up the shares within hours. According to Frank Meresh, who invests money for Alliance Capital Corp., a Toronto-based mutual fund company, investors are betting that an economic recovery will mean improved corporate profits throughout North America. "Perception and confidence are critical to the market," said Meresh. He added, "Everyone is buying aggressively."

After there have been few concrete signs of an economic recovery to date, North American stock markets are clearly anticipating that the worst of the recession is over. In the past six weeks, the New York Stock Exchange's bellwether Dow Jones industrial average has climbed by 13 per cent, closing last week at 3,564.96. The Toronto Stock Exchange 300 composite index, in turn, has climbed by 9.6 per cent, closing last week at 3,656.3. The wave of buying has been propelled by the continuing decline in North American interest rates, which has fueled hopes of an economic upturn later this year. When recovery begins, economists say, companies that have laid off workers and reduced production capacity should be well-positioned for growth. Said Larry Lunn, chairman of Greater, Clark & Lunn, a Vancouver-based investment firm: "The stock market generally tells you what the rest of the economy is going to do."

The initial cause of the sharp climb in stock prices over the past month was the U.S. Federal Reserve Board's

IGNORING GRIM ECONOMIC SIGNALS, NORTH AMERICAN INVESTORS PROPEL STOCK PRICES TO DIZZY NEW HEIGHTS

unsuspected decision on Dec. 20 to slash its discount interest rate by a full percentage point, to 2.5 per cent. That was the lowest cut since 1962, and it sent an unmistakable signal to financial markets that the Bush administration is determined to kick-start the economy before the presidential election in November. The Bank of Canada, which has followed a similar policy in hopes of fueling a recovery, last week lowered its own rate by 0.13 percentage

age points to 7.2 per cent—the lowest level in almost five years.

The drop in interest rates has led large financial institutions and individual investors to pull their money out of government treasury bills, term deposits and other investments that are pegged to current interest rates. Seeking higher returns, they have invested much of that money in stocks—spurring spectacular share price hikes in recent weeks. Declared



Wall Street stock traders: In some, the economic clouds have silver linings.

Orest Loebach, manager of the Winnipeg-based Investor's Growth Fund. "Billions of dollars are now looking for a new home—there has been a massive reallocation of capital." He added, "I think it feels that there, the market will be driven forward."

The market's new momentum has already pushed up the price of high-quality bank stocks and other blue-chip equities. More recently, however, it is the so-called cyclical stocks, especially those in the hard-hit resources sector, that have generated the strongest gains. During a recession, when consumer and manufacturing activity declines, those stocks slump along with the demand for products such as lumber, paper and metals. But when a recovery is under way, prices in those sectors rise. Indeed, last week, stocks and mutual shares were among the Toronto market's strongest performers. Said Loebach: "The strength of the cyclical indicators is a belief that the economy is turning."

Share prices in high-risk areas like biotechnology have also shown surprising strength recently. According to Allan's Meresh, that phenomenon echoes the trend in the early 1980s, when high-technology stocks such as those of Intel Corp. rose sharply on the theory that Canada was becoming "Silicon Valley North." Said Meresh: "With savings like this in biotechnology, you know there is a lot less caution on the part of investors."

The surge in share prices is an encouraging

signal for the rest of the economy. Since the end of the Second World War, openings in the stock market have been powerful indicators of broader economic recovery. Jeremy Siegel, a professor of finance at the Wharton School in Philadelphia, said that U.S. stock markets have hit bottom and then posted a major rally eight times over the last 50 years. On each occasion, he said, the economy has followed the market to upward five months later. Noting that the current rally began in December, Siegel predicts that the economy will begin to rebound in April or May. He declared Siegel: "I think we are headed for a recovery."

The prevailing optimism among stock-market analysts has created a glaring contradiction in many investors' eyes: even the economic stars indicate how attractive silver linings. Recently buyers have snapped up shares in companies that announced major layoffs, plant closures or other cost-cutting initiatives. Investors are counting on the uncertainty measures to make those companies more resilient when the economy recovers. Shares in New York-based Citicorp, for one, have climbed by more than 37 in the past month, despite reports that the bank suffered heavy losses in the fourth quarter of 1991.

Financial-services analysts said that Citicorp's decision to cut costs by trimming management helped to convince investors that the company was returning to health after stumbling badly earlier in 1991. Similarly, shares in

Business Notes

TRUST RAILROAD

The federal government's deplorable investment agency has stepped in to help rescue another troubled trust company. The Toronto-based North American Life Assurance Co. will pay \$51 million to buy First City Trust Co., owned by the hedge-fund of Robert Brady of Vancouver until last month. The Canada Deposit Insurance Corp. will provide most of the \$44.5 million in government loans that will cover losses at First City. The company has 36 branches across Canada and a staff of 700.

ROGERS ON THE HOT SEAT

Centenary's two led around cable television empire Edward (Ted) Rogers following reports that he sold \$29.3 million worth of shares in Rogers Communications Inc. on Jan. 4, a day before the company issued \$200 million in new stock. A new issue usually depresses the price of a company's stock. Rogers said he sold the shares to reduce his personal debts and that he learned of plans for the issue only after selling his stock.

A BAUHT WARNING

The Big Three North American automakers warned that Ontario's 10th government could trigger a new round of plant closures if it enacts later this fall reforms that will enhance union rights. Officials at General Motors of Canada Ltd., which is trying to pinpoints to two assembly plants in Oshawa in a round of company-cutting, said that the new law will put it at a disadvantage compared with GM plants in the United States.

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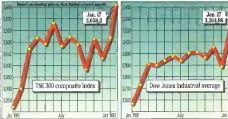
A recent series of foreign television ads in the Canadian advertising industry continued in McKim Advertising Ltd. and Baker Communications of Toronto agreed to merge and acquired a buyout offer from New York City-based sales Wacke. The companies decided to double the value of the deal, which will create Canada's largest advertising agency. It will leave Canadian Communications-Marketing Inc. as the only Canadian-owned firm among the country's 13 largest agencies.

A TICKET TO RIO

A new outfit of recession-hobbled airlines, hotels, corporate companies and bus and rail carriers plans to offer discounts on travel packages. The 28-seat belt group, to be called Expressor Canada, will offer discounts of 20 to 50 per cent on packages to Canadian destinations. The group expects to report next revenue of about \$500 million to Canada's \$26-billion-year travel industry.

GAMBLING ON A RECOVERY

On Bay Street and Wall Street, investors are betting that good times are just around the corner





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Unemployment lines in Brooklyn, N.Y.: by cutting costs, firms hope to become more efficient

IBM Corp. jumped despite the company's \$3.2-billion loss last year.

Some analysts claim that the market's new response to the state of depressing economic reports was entirely predictable: investors tend to prefer growth reports to buying uncertainty because it helps them to identify the bottom in a downward economic spiral. Significantly, it was not until the end of 1991 that most major North American corporations revealed the full extent of the damage to their balance sheets. And last week, "Uncertainty is worse than bad news."

But other experienced investors warn that the signs of buying over the past few weeks

may be premature. Peter Anderson, senior vice-president of the Financial Services in Minneapolis, which administers more than \$4.3 billion in pension fund assets, says that lower rates, by themselves, will not likely be enough to spur consumer and business spending. Still, Anderson: "The assumption is that lower rates will translate into higher earnings. But we do not believe that in the case."

He added that the rally has already pushed the prices of most stocks close to historically high levels relative to expected profits. As a result, Peterson said, he has sold close to \$500 million in stock over the past two months.

Some money managers are even more pessimistic.

Montreal-based Stephen Jaroszewski, for one, claims that the North American economy is headed for a depression. Jaroszewski, the 46-year-old president of Canada's largest private pension fund management firm, Jaroszewski, Fraser & Co. Ltd., which administers over \$22 billion in assets, says that an experienced portfolio manager is one thing, but a seer of future events "They do not know that, historically, there have been such things as deflation," he said. "They all think it is another 1932. I think it is another 1932."

Perhaps the only certainty at a time of conflicting signals is that it is risky to be firmly in the camp of either the bulls or the bears. Ken Shannon, an investment manager with Toronto-based Royal LePage Bank of Canada, and that she is buying and selling cautiously might be a possible "best" thing—a solid investment strategy—"You can't predict the market at the best of times, but it's especially easy to speak people when there is a mood of euphoria. These gains are satirical, and the downward could be scary," she said.

Until now, however, investors have been cutting away their doubts. And as stock markets continued their heady ascent last week, even the pessimists conceded that the surge of confidence could become a self-fulfilling prophecy—making the economy at least a little further along the road to recovery.

DEBORAH MCKENNEY AND JOHN BULLY

A LONG WAIT FOR THE JOBLESS

Until last January, Bruce Hyland had never been out of a job. His wife, the Canadian division manager at United Shirts and Suits Group, which manufactures personal safety equipment for industry but the company's U.S. head office reorganized its Toronto-based subsidiary, and suddenly he was unemployed. Since then, Hyland, 28, who is married and has three children, has contacted more than 50 companies, hoping to find work to available job. "About 80 per cent of the jobs that are filled are never published," he explained. "You need to be at someone's door almost before he knows that he needs to hire somebody." After about a year of job hunting, Hyland says that he means going off that his strategy ultimately will pay off. "I don't have to find employment for 15 per cent of the popula-

tion," he said. "I have to find just one job." Hyland, whose unemployment benefits will run out next month, may have to wait even longer for a job. Most analysts say that Canada's economy will grow this year, particularly in the second half. But they add that job hunters could not expect the unemployment rate, which has climbed steadily to 10.9 per cent for the past three months, to fall overnight significantly. Traditionally, the job market has been one of the last areas of the economy to recover after a severe recession. After the 1981-1982 slump, it took eight years for the unemployment rate to return to its pre-recession level of 7.5 per cent.

According to Paul Perley, senior economist with the Bank of Montreal in Toronto, Canada's gross domestic product will likely expand by about two per cent in 1992 over the previous year. But, he added, the unemployment rate could double to as high as 11.1 per cent before it starts to decline. A major reason for that, Perley said, is that employers are usually reluctant to hire new workers until they are

certain that a recovery is well under way. "In the initial stages, they conserve optimism," he added.

For his part, James Frick, chief economist and vice-president of the Conference Board of Canada, is slightly more optimistic. He forecasts that the unemployment rate will remain at the 10.9-per-cent stage before dropping to 9.6 per cent in 1993. One problem is that the labor force, as defined by Statistics Canada, includes those who are so discouraged about their chances of finding a job that they have given up searching for work. But as the economy picks up, an increasing number of these people start job hunting again—swelling the ranks of the officially unemployed. Declared Frick: "The message is, don't quit your job until you have another one lined up." Those who leave that when they find that they spend more time on the unemployment rolls than they expected.

KAROLINA WICKENS

Optimism on the horizon

Foreign investors target Canada—favorably

Michael Manning had something to smile about last week. Manning, head of bond-market operations for Citicorp, had spent weeks organizing the sale of at least \$1 billion worth of 10-year bonds—part of the utility's \$4.6-billion borrowing program this year. Citing the great outlook for Canada's economy, many analysts predicted that demand for the issue would be weak. But in the end, the rank of orders from Asia and Europe was so strong that Manning decided to increase the issue to \$5.5 billion. Declared the Citicorp official: "We were getting signs from investors that we could have gone as high as \$2 billion."

He added: "Canadian firms take more pessimistic about their own country than people overseas. In this case, that optimism [demand] really helped us out."

In fact, many economists outside the country are strongly bullish about Canada's economic prospects. What is more, they say that the outlook is brighter in many respects for Canada than for the United States.

Still, Manning's optimism is surprising because of the mood of economic gloom that has settled over the country recently. For months, there have been headlines with announcements of business bankruptcies, corporate restructurings and massive layoffs. A few high-profile analysts have even declared that Canada is sliding into a depression, dragged down by high unemployment and huge government and private debts.

The Conference Board of Canada, for one, last week said that a new glimpse of a healthy recovery during the next two years.

But in some areas, Canada enjoys a clear advantage over its great neighbor. In business, Canadian lenders on inflation have waged war on inflation by keeping a tight rein on monetary policy. If the Bank of Canada had had more success at restraining prices than the U.S. Federal Reserve Board, the most recent six months period, Canada's consumer price index rose at a 2.4-per-cent annual rate, compared to the volatile food and energy components. The comparable U.S. figure was 4.1 per cent.

Many economists also praise Bank of Canada governor John Crow for establishing inflation targets—three per cent by the end of 1992 and two per cent by the end of 1993. By contrast, the U.S. administration has



Crow gaining ground in the continuing war on inflation

refused to endorse a formal target of low inflation by the mid-1990s. On the contrary, President George Bush seems willing to tolerate higher inflation to spur short-term economic growth. Crow's banker, many economists say, will help to attract investment to Canada and keep interest rates low for consumers.

Government declines: By easing taxes and cutting the growth of federal spending, Prime Minister's Conservative government has reduced the size of its deficit as a share of gross domestic product—from 8.7 per cent in 1984-1985 to four per cent in 1990-1991. In fact, Ottawa would be running a surplus if it

were not for the cost of servicing the national debt—\$42 billion in interest this year. Washington, on the other hand, will spend more each year on programs than it collects in taxes. The Public Budget Organization for Economic Co-operation and Development estimates that Canada's deficit will shrink by 1993-1994 to 1.5 per cent of GDP, compared with 3.2 per cent

for the United States.

"Americans still refuse to pay for the services they get," said Randolph Bremer, a former director of the U.S. Congressional Budget Office and now a senior fellow at the Urban Institute, a Washington think-tank. "Frankly, I wish our politicians were as courageous as those in Canada. I think that as the economy recovers, Canada will be better off."

The banking system:

The recession has exposed serious weaknesses in the U.S. banking system. Almost 300 banks failed or required rescues of government money in the past two years. As well, a massive overhaul of the U.S. savings-and-loan industry will eventually cost taxpayers an estimated \$270 billion. The Bush administration tried last year to prevent the banking laws and will financial institutions of re-

straints that were adopted in the 1930s—including a low prewriting banks from operating across state lines. But the legislation died in Congress. There is one other reason to be optimistic about the U.S. banking system, says Michael McCann, a senior analyst at the Bank of Montreal. "The banks' problems have made it harder for small and medium firms to borrow money. Canada's banking system, he adds, is by more stable, a factor that should prove a long-term economic growth."

But perhaps the most telling sign of international confidence in Canada's economy is the low level of concern among foreign investors about the country's constitutional problems.

For years, people have pointed out a possible banking and tax deal. However, an economist with Nomura Canada Ltd. in Toronto, most investors are convinced that Canada will overcome its difficulties. As for the U.S., he says, "I don't think Europe and Asia to groups around and around." In the big scheme of things, Canada's constitutional problems are pretty minor. Most people would trade places with us any day." In a sense of deep economic pessimism, it is a reassuring claim.

COMPARING DEFICITS

Federal government deficits as percentage of GDP



Source: The Organization for Economic Co-operation and Development, December 1991 (estimates)

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BUSINESS

Getting things cheap

The 'snowmobile company' moves on de Havilland

In its drive to become a major transportation manufacturer, Bombardier Inc. has almost always followed the same well-worn road. The Montreal-based company, which began life as a rural Quebec snowmobile manufacturer in 1942, has demonstrated a

federal and Ontario taxpayers, Jerry Duhaime, president of the 2,200-member Canadian Auto Workers local at de Havilland, welcomed the proposal. "It's not a bad bet," Duhaime said. "It means that high-risk jobs stay in the government." He added, "With Bombardier's expe-



Dash 8 aircraft at Toronto Island Airport; awaiting

rienced ability to expand by buying foreign companies cheaply from owners, and governments, that are desperately anxious to sell. It's amazing that almost Bombardier to acquire, among other assets, the Montreal aircraft manufacturer Canadair in 1986, the Montreal-based aviation firm Short Brothers PLC in 1988 and Learjet Inc. of Wichita, Kan., in 1990. Now, the pattern seems likely to be repeated as Bombardier prepares to purchase the financially beleaguered de Havilland aircraft division of Boeing of Canada Ltd. "The acquisition of de Havilland would rank as another classic Bombardier move," said Paul Schilling, a transportation analyst at Neuberger Thomson in Montreal. "It's almost uncanny the way these people always manage to be in the right place at the right time."

Ever since a poor French-British effort to purchase de Havilland failed last fall, Bombardier has been the leading contender to take over de Havilland. Boeing's troubled Canadian subsidiary, which manufactures Dash 8 commuter aircraft in the Toronto suburb of Downsview, although the final details were still being worked out, was officials at the Downsview factory last week that a deal was almost completed. Under the proposed terms, Bombardier would acquire a 51-per-cent stake in de Havilland for \$61 million. The Ontario government would pay Boeing \$49 million for the remaining 49 per cent.

As such, Ontario is likely to promise up to \$200 million in liability insurance coverage as a way of compensating Bombardier for projected losses over the next three years. The federal government is reportedly planning to inject another \$550 million in research-and-development incentives, plus an expected amount in export assistance. Despite the huge cost to

use and the commitment of both levels of government, we think it's a winning combination."

Indeed, de Havilland's Dash 8 series of turboprop commuter planes appears to complement Bombardier's existing line of aerospace products, in particular Canair's recently launched 50-passenger Regional Jet CRJ. The CRJ, the first wide-bodied jet on the world market, recently gained ground in the critical U.S. market where Canair Inc., an Ohio-based carrier, placed an order last November for 20 of the \$17.3-million aircraft but took out an option on 20 more. The Carrier deal brought the total number of firm orders for the new jet to 35, worth an estimated \$600 million.

If the Dash 8 becomes part of the company's first, Bombardier would be well-positioned to exploit what most experts predict will be a growing worldwide market for commuter planes. "The company will be highly competitive in this area," said Paul Turk, director of publications for Aircraft Inc. of Arlington, Va., a transportation consulting firm that has advised the Ontario government on the de Havilland sale. "It will have a broad product line to offer, as well as the flexibility that flows naturally from economies of scale."

Even without the addition of de Havilland, however, Bombardier is already a force to be reckoned with in the global aerospace industry. The firm's line of aerospace products, which includes automated surveillance craft, water bombers, cargo aircraft and business jets, accounts for almost half of the \$3 billion in revenue that the company expects to derive in its current fiscal year, which ends on Jan. 31. Bombardier acquired its string of aerospace companies, as well as all of the associated aerospace technology for a relatively cheap \$250 million. "The people who run Bombardier, led by chairman Laurent Bombardier, are very conservative," said Joe Bender, senior analyst at Richardson Greenfields in Montreal. "They are very, very focused and they are clever as a hell. As a result, when opportunities like de Havilland arise, they are not only not surprised—they are in a financial position to exploit the opportunity."

A similar strategy has governed Bombardier's approach to its other main business—ground transportation. The company is North America's largest manufacturer of rail-related equipment, with roughly 38 per cent of the market. It also has a significant presence in Europe, through wholly owned French and Belgian subsidiaries. Bombardier recently moved into the Ontario market, the third largest on the continent, with the acquisition of UTRC Inc., a maker of snow-cleared vehicles also the Ontario government's distinctive double-decker GO Transit cars. Bombardier stepped in to rescue UTRC after the aging company had been taken over by the provincial government, which was anxious to find a buyer willing to preserve the company's 180 jobs in Kingston and Thunder Bay. "That particular acquisition was a coup," said Bender. "And if it's Bombardier's other operations like a glove."

It may well have an added advantage eventually. Bombardier holds the North American rights to French-developed high-speed train technology, a system that Bombardier is currently attempting to promote for the Quebec City-Montreal, Ont., corridor. Construction of the rail link would require at least \$2 billion in public funds. If Ontario, Quebec and Ottawa decide to machine the project, Bombardier's close working relationship with government officials is likely to give the company an important advantage over its competitors—and another low-cost entry into a potentially lucrative project.

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A man with emotion at the Royal Bank

BY PETER C. NEWMAN

This week, Royal Bank chairman Allan Taylor, arguably Canada's most influential moneyman, will use the occasion of his annual meeting to list two of his favorite causes. His passionate concerns affect not only the economy but also Canada's economy, which is emerging out of its deep recession.

"It's going to take until the end of 1992 before we begin to realize meaningful growth rates in the area of three to 3.5 per cent," he told me during a Toronto interview last week. "I've had that together with an inflation rate of between two and three per cent, that would be quite good in comparison with any of the G-7 countries."

Taylor believes that the recovery has far been let by housing starts and that this is where the future economic surge will come. While there are plenty of new apartment units from such new construction, Taylor also believes that 1992 will be a difficult year for sales of North American automobiles. "We won't be as good as 1986 or 1987, but we should see car sales jump seven to nine per cent," he predicts. "Also, what's often overlooked is that a good many retail and medium-sized companies that are part of our client base are doing quite well. Some are in the service industries, a few even in manufacturing. I was out to Halifax recently and I found half a dozen situations where people are doing awfully well. We haven't got anywhere like what we see in the major industrial sectors which will still exhibit pretty slow growth during 1992."

When Taylor insists that there are enough favorable statistics to indicate that Canada is in a recovery phase and definitely on track, as many other investment gurus have foreseen, a double-edged message, his predictions are based squarely on the detailed projections of Canada's largest private-sector economics task force, headed by Edward Noyes, former assistant deputy finance minister. The department's computers predict the most significant

Chairman Allan Taylor predicts that the economy is now recovering—and he is passionate about a united Canada

costed model projection of the Canadian economy.

Part of Taylor's optimism is based on his bank's 1991 results. Last year's net profit of \$193 million, represented an 82-per-cent jump from the year before, and this year's results to date of \$163 million (as yet unaudited), giving shareholders a dividend of \$1.16, which represents a yield of 4.1 per cent.

The Royal, which claims nearly one out of three Canadians as its customers, last year ranked on an asset basis as North America's second-largest bank, just after Citibank, but with the forthcoming flood of U.S. bank mergers, it will probably drop to fourth or fifth. Taylor is still hunting for a U.S. bank to buy. "We're looking for a regional American bank that would give us platforms on which to grow and field a new commercial retail operation," he points out. That 42 per cent of this year's profits were made outside Canada, with domestic business down 19 per cent. International business at the Royal now represents 21 per cent of total assets, but generates 42 per cent of the bank's total profit.

Like most business leaders, Taylor advocates spending the federal deficit by freezing outlays at current levels for the next two

years, and remains unswayed with the Mulroney argument that despite its \$30-billion deficit, the government has an operating surplus. "I would never say that there can be no more spending, but we simply can't find any more debt and deficit," he cautions. "When you have 38 cents out of every revenue dollar going to pay interest, there is no money left for the government to move the economy in a growth period." He praises Ottawa's last budget, but doesn't agree there has been enough follow-up.

Although the Royal Bank still charges 18.75-per-cent interest on outstanding credit-card balances, Taylor points out that the cards are not meant to be a credit-spending vehicle and that anyone with an adequate rating can obtain a bank loan at the better rate. "They're a payment-instrument," he insists. "Credit cards lump the best and worst credit risks together and create great amounts of administration. That's why it's so expensive, but among our customers, the average outstanding balance is less than \$1,000."

On the problems of national unity, the main burden of his annual address, Taylor is less specific because at the moment the settlement terms remain entirely hypothetical. "I was asked by the Maritime provinces, which indicated that more than 50 per cent of Canada lives outside Quebec, why that 50 per cent of the country's economy would stop the same or improve if the province seceded. 'I just can't believe that,' he says. "In a divided Canada, average income would shrink significantly. What most people seem to forget is that the Constitution is a good book, too."

"A united Canada would remain the second-largest country in the world," he points out. "A divided Canada, like east and west Pakistan, would be economically and geographically inseparable. Canada would probably lose its place at the economic summit table of the seven leading industrialized nations and in the G-7 group that sets the broad lines of global economic policy, as well as in the Quadrilateral, the trade-policy summit group of the United States, Canada, Japan and the European Community."

He is adamantly opposed to allowing a separated Quebec to use the Canadian dollar as its currency because you can't practically have two independent national currencies with a single monetary policy. "Where else's sovereignty if you've got a Quebec that doesn't get involved in the policy setting per se at the level of the value of the dollar in the marketplace?" he asks.

Allan Taylor, unlike most of his banking counterparts, rose to the chairmanship from a lowly start as a Royal Bank officer in rural Saskatchewan. His plea on behalf of national unity—and he has been making it across the country for the past three years—is important. There's something very Canadian and very solid about the man and his message. His sense of duty about the country of Quebec should decide to strike out on its own goes far beyond its financial implications.

But he knows the details of how economically devastating such a move would be. And he's frightened. We should be, too.

PEOPLE

DALLAS NORTH

John Ballen's sense of awe and greed in the Oil Patch are best-sellers in Alberta. Ballen, a lawyer who also wrote a 1973 text, *The Oil and Gas Lease in Canada*, is the author of crime novels. His most recent book, *The Barons*, like most of the others, depicts the wheeling and dealing of the city's oil-industry elite. But he claims that the characters are fictional. *Said Ballen, 48: "There are some pretty large guys in the Oil Patch. It's become a bit of a parlor game, trying to guess who is who."*

AN OLYMPIAN COMIC EFFORT

Canadian comics Rick Mercer and Dave Thomas have resurrected their popular *Ridiculous* and *Doug MacKenzie* acts. The siblings are appearing in *Red Ransom*, a new movie video that is part of a head-spinning effort for Canada's Olympic bid. In the four-minute video, Bob (Mercer) and Doug (Thomas) debate the virtues of calling the sleight ballads. An ironic Bob complains: "I think they should not think they're doing it. I don't like them calling me after my name." *Soundbites on video: Doug "Barney."*

Mercer (left), Thomas (right)

He gives her Fever

Five years ago, Canadian actress Claire Forlani starred in Wallace Shawn's political drama *Real Don and Lenore* at Toronto's Theatre Theatre. And her performance earned the New York City playwright so much that she is now starring in the Toronto production of his newest work—at Shawn's request. *The Fever*, which opened last week at the Barrington, is a meningitis about a prospective idealist who tries to stifle large companies and develop a growing awareness of the suffering poor. Shawn, who says that he wrote the work with Forlani, 48, in mind, describes her as "a kind of warrior actress" who wants to use her talent to improve the world. Forlani credits Shawn with making her realize that the best way to communicate *The Fever's* harsh message was to take a tough approach to the role. "I'm used to playing in a sympathetic relationship with the audience," she noted, "but Wally was very insistent that I should not be afraid to be hated."

Forlani: "not afraid to be hated"

A royal romp

The Duchess of York, formerly Sarah (Fergie) Ferguson, has become the latest member of Britain's Royal Family to become involved in an commercial scandal. London police acknowledged last week that they have obtained pictures of Prince Andrew's 32-year-old wife in the company of British TV star and actress Sheree Vignati, 38. According to the London tabloid *Daily Mail*, the photos, which have not been made public, were taken in 1990 during a Mediterranean vacation that did not include Andrew's father, King. Vignati and Sheree (Fergie) (Fergie) (Fergie) have declined to comment.

Fergie: in the holiday picture



Sex, ties and videotape

Las Vegas magician Melvyn Stone is using Canadian impersonator Rick Little, his former boyfriend, for reasons of privacy after claiming that he secretly videotaped their love-making sessions. But under an agreement reached this month, Stone has granted Little a reprieve—of sorts. Despite her earlier objections, Little, 52, will now be able to juggle on stage about his legal battles with Stone, 48. All in all in love and war.

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COMPAQ



The Redskins and Rypien (11) in NFC championship against Detroit.

SPORTS

The Canadian pack

Mark Rypien takes aim at the Super Bowl

A year after the beginning of the Gulf War, Washington is still using the Soviet Bear. It is currently deployed by Mark Rypien, the 29-year-old Canadian quarterback of the Washington Redskins, to penetrate opponent defenses in Washington's pursuit of its third Super Bowl championship in nine years. The Redskins' coach, Joe Gibbs, calls Rypien the next greatest quarterback he has ever worked with. And Washington's backup quarterback, Jeff Rutledge, a 13-year veteran, says that he has never seen anyone throw the long bomb with the touch and accuracy of Rypien.

The most recent use of the Smart Bomb took place during the National Football Conference

(NFC) championship game on Jan. 13 in Washington. In the third quarter, with his ground game strangled by the tenacious Detroit Lions, Rypien moved back and tossed a 45-yard pass that dropped with laser-like precision into the hands of first receiver Gary Clark in the end zone. Minutes later, Rypien ditched a 21-yarder to Al Morris in the back corner of the end zone for another touchdown. With that 43-13 victory, Washington emphatically claimed its place in the Jan. 20 Super Bowl against the Dallas Bills of the American Football Conference.

Super Bowl XXV, which will be played in Miami, Fla., may be the most eagerly anticipated championship game in National Football League history. Since the Redskins' open-

ing 45-0 trouncing of the Lions last Sept. 3, football analysts have predicted that the Washington club, whose owner is Canadian-born Jack Kent Cooke (age 48) would be the one to beat in the NFC. These same analysts also correctly predicted that the Bills would return to the Super Bowl after their final-second defeat last year against the New York Giants.

This year's contest will match quarterback Jim Kelly, running back Thurman Thomas and the Bills' explosive offensive offense against a Washington defense anchored by such all-stars as end Charles Minn, linebacker Wilber Marshall and cornerback Derrick Givens. Rypien and the redneck Redskins offense will face linebacker Corbin Bennett and the attacking Bills defense. These battles should provide a welcome change for fans who a year ago endured the studiously boring style of the Giants, who employed a punishing running game to beat the Bills.

By his playoff and regular-season performances, Rypien, a soft-spoken native of Calgary who grew up in Spokane, Wash., has emerged as one of the league's best quarterbacks. "He's a god here," said Mahomed Bawaissa, a reserve tackle from Kandorpe, B.C., who, with Rypien and defensive end Markus Kue, a native of Kitchener, Ont., make up the Canadian contingent of the Redskins. Added Edwards, "As far as this town is concerned, Ryp wins or we win."

It was not always like that. Rypien began the 1990 season called by Washington's radio and print media for not being good enough. He became the Redskins' full-time starting quarterback in 1989, and his first two seasons were he acknowledged as a mediocre quarterback last week, commented. He could show great promise in some games, then crumble the next day. His pass-attack centers credited that two years at the helm of the Redskins was long enough for the so-far, fourth, 33-44-quarterback to learn the intricacies of the position. Rypien endured the fans' harsh judgment, and even agreed with the criticism. "It takes time to become an NFL quarterback," Rypien said during the interview at the Redskins' practice center in Bethesda, Va., outside Washington. "But, hey, it gets to the point where it's up or shut-out time."

He put up for one thing, Rypien held out in contract talks, demanding to be paid the \$1.6 million a season that is the average for NFL quarterbacks. The Redskins initially refused, but ultimately agreed to a one-year deal that paid Rypien a base salary of \$1.4 million this season. The implication, says Rypien, was that he had a year to produce, or find some other club to play. He may not have to look, after finishing the regular season rated second only to Steve Young of the San Francisco 49ers in the NFL's statistical measurement of quarterback efficiency. Rypien completed 245 of 421 passes for 3,594 yards, 28 touchdowns and only 11 interceptions. Among the Redskins is a league-best 19-8 win-loss record. In the playoffs, he enforced a solid authority over the Redskins' complicated offense as victors over the Atlanta Falcons (24-7) and Detroit

By his bright and his performance, Rypien's emergence as an NFL star is unlikely. If he had stayed in Canada, he said, "I probably would have played hockey." In Spokane, he took up football, basketball and, only reluctantly, football. "I played football because all the kids were doing it, and it was something to do," he said. "But I hated it—the contact, getting hit, trying to hit somebody. It hurts. I was a wing back then, a real steady role."

An all-around athlete, Rypien was a point guard on his high school's state championship basketball team in 1982, was recruited for the major-league baseball draft and was recruited by more than 100 U.S. colleges after being selected a high school All-American in football. He chose to take a football scholarship and study physical education at Washington State University in Pullman, where the starting running back at the time was an ex-Canadian import—Buster Mayes, from North Battleford, Sask., who went on to star with the New Orleans Saints. Rypien did not start at quarterback until his junior year, but he was impressive enough to warrant a sixth-round selection by the Redskins in the 1986 draft of college players.

With the Redskins, Rypien became the third-string quarterback, and did not get to play a regular-season game until the 1988 season (Jay Schroeder, aged at having lost his first-string quarterback position to Doug Williams, had been traded to the Los Angeles Raiders). Then,

five games into the season, Williams had an emergency appendectomy. Rypien, thrust into the starting role, proceeded to accumulate his coaches' maximum and lowest by completing 70 of 116 passes (60.3 per cent) for 1,053 yards and 12 touchdowns in the first four games he started in the league's statistical ranks. The underdog Rypien was suddenly the No. 1 quarterback.

It did not last long. He suffered a shoulder injury in his fourth game and did not return to the starting position until the next season. He was selected to play in the Pro Bowl all-star game that year but many fans still booed him at Washington's Robert F. Kennedy Memorial Stadium when he made his plays. "For a while there, I got the hunkies," he said. "I would try

players and the game plan. And he hates me. Coach Cooke for going the team the financial resources to acquire the players and equipment needed to help it win. Cooke stands his ground at least once a week, Rypien says, adding: "He's a guy who wants that team to win."

Although Rypien has spent 24 years in the United States, he says that he has never considered giving up his Canadian citizenship. "That's where I'm from," he says. "Why would I want to give up my heritage?" Rypien recalls that he used to drink beer in the Elk River in southeastern British Columbia every year with his father, who died of a heart attack four years ago at age 52. Now, Rypien takes his wife, Acacia, and his two dog boys, Amos, 3, and



Rypien at the team's practice facility. "I'm excited about where I'm at."

to hang on to the ball, try to make that extra play. Or I would throw an air-raid pass." There were more boys in 1986 when, hampered by an injury to his left knee, his performance slipped. "People get a first impression of you and figure that you will never get it done," he said. "But I learned, and was patient."

Despite this season's success, Rypien doubts his own performance. He admits to the quality of his offensive line and its blocking ability, which enables the running game to flourish while protecting him from opposing pass-rushers. He credits members of the coaching staff for their preparation of the

Angels, 1, in the 33. "It's beautiful there," he said. "They love it."

Regardless of the Super Bowl's outcome, Rypien says that he will remember that as the year he came of age as an NFL quarterback. "I'm excited about where I'm at, what I've done and where I am going to go," he said. But he added that he knows that, in the field world of football, a player is only as good as his last game. And that another even more world of game in question happens to be the Super Bowl.

JAMES DEACON is in Dallas

The lion in winter

How Jack Kent Cooke pursues his lust for life

They're not content—bent's a challenge to a quiet life of carding a third down. But with its unexpected opportunity, Jack Kent Cooke was making the most of it. Above the 50-yard line at Washington's Robert F. Kennedy Memorial Stadium, he peered the merger confines of his private realm, 64 wooden seats in one of the last glamorous owner's boxes in the National Football League, which he has turned into the hottest property in the American capital. In a city intricately known as "Pottertown," where every street is celebrated in the national press, an invitation is more coveted, not even one to a White House dinner, than a variance to put him watching his beloved Washington Redskins.

Sensations and political commentators routinely vie for the favor of the ex-Canadian who owns the conglomerate of gristle and grit that social columnist Diana McLellan has termed a local "obsession"—about the only thing in this town that everybody can agree on. Now, with the Redskins on their way to Minneapolis for their fifth Super Bowl appearance on Jan. 26, Cooke's social cachet has soared even higher. Steel McLellan "Jack Kent Cooke has the most access to a Washington, especially during the football season. These people certainly love themselves staged to get into that box."

At 78, with the power to host Vice-President Dan Quayle or Secretary of State James Baker at whim, he enjoys apparently robust health and a stunning Latin fourth wife, Marylene Rimelle-Chalmers, virtually reported as 36 or 38, and better known to his friends as the "Believe Rimelle!" The Redskins' perpetuator might well be looking in the spots that he has accumulated in the twilight of his life. Not only has every Redskins game been sold out to seven ticket-holders for 25 years, but with a \$4,000-a-week wage line, that station stands little likelihood of changing in the new \$775-million Jack Kent Cooke Stadium he is currently negotiating with the city to build. Even his old rival, Toronto broadcasting czar John D. Baird, a factor owner of the Toronto Argonauts football team, hailed Cooke as a model first owner who, unlike himself, has avoided meddling with his coaches. "Probably his greatest contribution to the team," Baird said in an interview, "is that he has kept his hands off it."

Race-track enthusiasts note Cooke's Emerald Park outside Lexington, Ky., as one of the pure breeders of thoroughbred horseflesh in the country. And with the Los Angeles, Glady News and New York City's landmark 77-acre Chrysler Building like in his portfolio, Forbes magazine ranked him number 31 on its annual

list of the 400 richest Americans last year, estimating his assets at \$1 billion.

But Cooke will prove his box like a lion in winter, restless and aroused. Even his critics have been unable to bring him peace in his colorful personal life or the lead of press clippings he would like. Last week he was to have signed an unauthorized biography called *The Last Mural*, published in Canada that month by McClelland and Stewart Ltd., that he sent to editors saying from "not to bother specifying a title to buy the book. It is trash." He signed off with a postcard: "God Save the Republic!"



Cooke at Los Angeles hotel: at 78, his irrepressible appetites are legendary

Written by Adrian Ravell, a Virginia stockbroker who was a regular guest in Cooke's Redskins box in the early 1980s, the book has prompted Cooke to wish friends he respected of defying his orders not to co-operate with the writer. Ravell has chronicled some of the darkest chapters in the domestic life of the sportsman who once declared himself "the God-daughtered racistist you'll ever meet." And in subsequent detail, Ravell has downplayed the February, 1986, arrest of Rimelle-Chalmers at a Washington airport with members of a Bolivian drug ring. Five months later, in exchange for co-operating with federal drug-enforcement officers, she pleaded guilty to conspiring to import cocaine and was sentenced to 18 months in a West Virginia federal penitentiary. She served only three months before being paroled.

According to Ravell, Rimelle-Chalmers escaped \$100,000 and borrowed \$4,000 from a girlfriend for plastic surgery, which soon drastically improved her social life. Within two years, she had regained that friend, by then



Cooke with his fourth wife, Markers: even his mistress has been unable to bring his peace in his colorful personal life

Cooke's estranged third wife, Suzanne, at his side at the Redskins box. There, on Oct. 2, 1988, Rimelle-Chalmers helped him welcome First Lady Nancy Reagan for the celebration of a "First Year '86 in drugs" anniversary.

Ravell traces the career of the Toronto high-school dropout, chartered Jack Kenneth Cooke, who sloped his way through selling microphones and soap to become a multi-millionaire into tycoon at 39 after sweeping up with mentor Roy Thomson. But in the process, Ravell has underscored Cooke's bitterest relationship with the country of his birth. In 1960, when Ottawa's then-Border of Broadcast Governors turned down his bid for the first private Canadian television license, awaiting it instead to himself, the rejection stung him. Within months, an unprecedented act of Congress signed into law by President Dwight Eisenhower on Sept. 14, 1960, granted Cooke the right to operate US's channels.

Some critics, misreading it as a pinky betwixt showpiece at Los Angeles, Cooke promptly began building a sports empire that outstripped his most extravagant Toronto dreams. Buying the Lakers basketball team for \$5 million and winning the L.A. Kings franchise in the 1987-88 season, he boxed them both in his new \$10-million Forum, a jewel-Rimelle-Chalmers with celebrities in assisted tape.

Cooke has admitted that his drives and appetites are more American than Canadian, that he has occasionally betrayed a masochist streak. Last fall, when Joan Burney, the wife of Canadian ambassador Derek Burney, found herself seated next to him at a Washington dinner, she mentioned that she had grown up on the Northern Ontario town of Port Arthur—now part of Thunder Bay—and Rusty River.

Cooke's liver lit up as he reminisced about how he had covered that territory as a young, earnest Colgate-Palmolive salesman. Only days later, the Burneys received their first invitation to his box, where, most notably during the Redskins' Jan. 13 '89 loss, they rubbed shoulders with Baker, columnist George Will and retired Lakers superstar Magic Johnson. As Burney acknowledged, "It's a hell-of-a dinner."

A handful of other critics credit their entrée to Cooke's passion for books—which has inspired him to permit discontinue late novels. Wherein lies Cooke's obsessive love? Los Angeles' CBS correspondent Leslie Stahl, she presumed that he had outstayed his welcome. But she arrived at the stadium to discover that the person he had invited to meet was her husband, writer Aaron Labov, whose Craig Steward recounted the Hollywood scene of Cooke's favorite author, F. Scott Fitzgerald.

That passion for Fitzgerald in a self-made man who might have slipped through from *The Great Gatsby* may show Cooke's shared self-awareness. In fact, with a title that makes a leaving box to Fitzgerald's *The Last Tycoon*, Ravell's *The Last Mural* recounts how Cooke's dazzling material success has been constantly underlain by a tragic personal life. Friends claim that Cooke will never get over his acid 1978 divorce from his first wife, Jean, who they say renounced the love of his life. But after 42 years of marriage and two sons, she was a 44-million settlement that made *The Guinness Book of Records* and *Ravell* has to sell his California holdings for \$81 million.

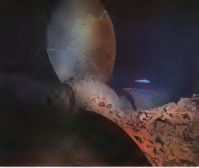
Cooke's bitterness over that breakup may help answer a question that fascinates some of his guests as much as any football play: What makes Jack Kent Cooke still run so hard? "I

was afraid, who requested anonymity." Jack's longer is for more than just wealth. He is accepted, but loved—and maybe his devil's even try to be anyone. He kept it once and it turned out to be dangerous."

Over the past decade, Cooke's restless odyssey has been great for the tabloids, clanking during the Redskins' last Super Bowl victory, in San Diego in 1994. Six days before the game, his estranged third wife, Suzanne, a Model 44 years his junior who married him six months earlier on the condition that she have her first abortion the next day, natural gave birth to a daughter and defiantly named her Jacqueline Steel Cooke. Joyce Devolans, a former CBS television star who was Cooke's date at the San Diego Super Bowl, recalls Suzanne's constant calls to Cooke's suite from the hospital—so that Cooke refused—a telephone answer that continues to this day. Cooke accidentally met his daughter when she accompanied into a legal hearing two years ago. But he has otherwise refused to see the blue-eyed baby-like, who will turn 4 the day before this year's Super Bowl.

Since Suzanne Cooke last saw \$17.5-million suit for additional child support last year, she has waged her battle against Cooke in the media, publicly insisting that her daughter will not get to know her celebrated father before he dies. But Cooke's sporting gals, who have heard him refer to death as merely hypothetical, have reported on signs that his irrepressible appetites are flagging. Still longtime friend Devolans "He is one of these buildups which grabbed life at his teeth from the beginning. And Jack will never let go of that horse till he is gone."

MARCI McDONALD in Washington



ADVENTURE

An eerie graveyard

A new expedition captures the Titanic on film

Four years ago, Dr. Joe MacInnes, a world-renowned expert in deep-sea diving, became the first Canadian to reach the Titanic, which sank 80 years ago. In the summer of 1994, he returned as co-leader of a unique expedition to film, with Canadian-developed tech technology, the ship's wreckage on the ocean floor 375 miles westward of Newfoundland. An editor near completion of a documentary on the expedition, MacInnes recalls the thrill of reaching the eerie underwater graveyard. His report.

On the last dive, we parked on the deck of the Titanic, 3 1/2 miles beneath the Atlantic Ocean. On April 15, 1912, the luxury liner sank in the Irish waters, killing 1,533 of the 2,224 passengers and crew. During our time, I spent a tiny compartment in a 25-foot-long Russian-built submarine with two other members of the joint Canadian, U.S. and Soviet expedition. Sitting nearby was a second submarine. As our depth, the ocean actually got black. But the Titanic was illuminated by eight powerful lights mounted on beams attached to both submarines.

The lights, the most powerful ever used beneath the sea, represent the dawn of a new age in deep-ocean exploration. Constructed at a cost of \$260,000, the four lights on each submarine were equivalent to more than 500 car

headlights. We shot 40,000 feet of film, two hours' worth. On special giant 8003 screens, parts of the Titanic will appear almost life-size.

This was the third manned mission to the Titanic since French and U.S. scientists discovered its location in 1985, but only will prove to be the most scientifically important. The Geological Survey of Canada and the P. F. Shurey Institute of Oceanology in Moscow collaborated on the searover program. Steve Blanco, a Canadian marine geologist and the chief scientist on the expedition, said that he has already substantially revised his ideas about the deep ocean.

Blanco used to believe that the ship's depth was isolated and inert. "Looking at the data and seeing the Titanic up close changed all that," Blanco said. "We see pulsing currents and mobile sand ripples. The bow section is deeply embedded in an ancient submarine landslide. The Titanic is facing us to re-think the consequences of deep-ocean dumping."

For artists and thinkers, the ocean has always been an environment of revelation. The submarines look up to the least accessible parts of the world. We captured brilliant images of the entire bow and stern sections and the half-mile field of debris between them. For all of us, those six weeks of dredging in a shipwreck lying in the foothills of Canada's Grand Banks was one of the great moments in modern exploration. □



(Clockwise from top left) One of the Titanic's sterns; a view of the first-class deck; a lone shoe lies among other debris on the ocean floor; one of the Russian-built mini-submarines used for the expedition; the ship's bow; the expedition may clear up enduring questions about why the Titanic split in two just as it sank. As the vast ship was going down, the bow sank first, lifting the stern completely out of the water. Most experts have concluded that extraordinary stress tore the frame apart. But preliminary results of an analysis of the ship's steel hull plates indicate that the metal may have been too brittle, causing it to rupture, rather than to bend and buckle.



Accompanying students in Ottawa: experts were puzzled by the random movement

HEALTH

Attacking a killer

Teenagers line up for meningococcal vaccine

CHAS BY CHAS, thousands of high-school students marched into makeshift medical clinics set up last week in schools across the Ottawa area in eastern Ontario and in western Quebec and Prince Edward Island. The reason: an intense campaign to inoculate more than 400,000 young people in the three provinces against infectious meningococcal disease, which since early December has killed at least 23 Canadians. The inoculation program was the largest in Canada since the polio epidemic of the 1950s. And although some doctors said that inoculations were unnecessary, the parents of many teenage children expressed relief. Said Karen Campbell, whose 15-year-old son, Michael, was treated for flu-like symptoms and released from an Ottawa hospital last week: "Nobody wants to worry about the worst without good reason. But then again, you want to gamble with a child's life?" That concern was clearly a major factor in the decision by health officials in the three provinces not affected by the disease to launch an aggressive—and expensive—campaign against the disease. Health officials estimated at cost at more than \$3 million. During the past five years, meningitis has claimed an average of 24 victims, mostly young children, annually in Canada. But since December, the unusually high mortality rate among teenagers

and evidence of a so-called cluster phenomenon of the bacterial disease have caused alarm. In the Ottawa-Hull region alone, meningitis has claimed the lives of five teenagers and one adult since Dec. 2. Roughly half of those who were recently infected in that area died.

As the deaths and public concern increased, provincial health officials said that they had little chance but to begin inoculating teenagers in hospital wards in the three regions were swamped with patients of all ages complaining of headaches and flu-like ailments that could have been early signs of meningococcal disease, a bacterial infection of the membranes surrounding the brain and spinal cord that can spread with deadly speed. As well, local pharmacies were flooded with orders for the prescription vaccine, which costs as much as \$90 a dose. Said Dr. Ian Gormick, Ottawa's regional associate medical officer of health, of the decision to launch the inoculation program: "We want to stop this outbreak dead in its tracks."

In an effort to do that, health officials in Prince Edward Island, where there had been three deaths from meningococcal disease during the past 13 months, planned to inoculate 42,600 people between the ages of 1 and 19—one third of the island's population. In western Quebec, doctors planned to inoculate about 225,000 people between six months and 19 years. In the Ottawa region, officials planned to

inoculate 370,000 in the same age-group. And after two new cases were reported last week in Kamloops and Vernon, B.C., health officials said that they were considering a large-scale vaccination program for the province.

Still, doctors remained divided over the program, with some medical experts contending that the risk of children under 16 contracting meningitis is no greater than it was a year ago. For his part, Dr. John Spika, director of epidemiology at the federal Laboratory Centre for Disease Control in Ottawa, said that a limited inoculation combined with a more effective public information program on meningitis might have been just as effective.

Other medical officials said that evidence surrounding the outbreak showed how unpredictable the disease is. More than 100 cases of meningococcal infections, most of them isolated and curable, are reported to Health and Welfare Canada each year. Traditionally, the high-risk group has been considered to be adults and preadolescent children. But in early December, the cluster of cases of the Type C strains of bacteria among adolescents and adults in Ottawa defied all into the usual patterns. Experts also said that they were puzzled by the apparent randomness of the bacteria's movement. Dr. Laurence Swint, Prince Edward Island's chief health officer, said that it was a mystery why the disease had hit some parts of the country harder than others.

In the United States, according to Dr. Jay Wenger, who tracks the infection for the Centers for Disease Control in Atlanta, there has been no increase in meningococcal disease this year. Wenger says that there are usually 2,500 to 3,000 cases each year, with a mortality rate of 13 to 16 per cent. Said Wenger: "We've had outbreaks of clusters of the disease every year. It is not terribly unusual."

According to Spika, the high fatality rate among teenagers victims in some parts of the country may have been related to an influenza virus that infected many of the same people. Said Spika: "The flu virus would affect the white blood cells, making them less effective in fighting off infection. That, conceivably, could give the meningococcus the edge it needed to go in and eat. Just '—and fatality."

Meanwhile, as health personnel in some parts of the country inoculated as many as 14,000 young people a day, Quebec's Minister Michel Vachon, Cllt, told a news conference that the rate of infection in Quebec indicated that "we have reached the peak of these outbreaks." For anxious parents, that outlook was even more encouraging than the campaign, which may have been more important as a means of soothing fears than fighting a deadly disease that was already in retreat.

R. KATE FULFORD in Ottawa

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The arena filled with a shrieking din, the kind of sound that can only be made by thousands of adolescents on the edge of hysteria. For Bryan Adams, it was a raucous homecoming. Performing his first coast-to-coast Canadian tour since 1985, the Canadian superstar looked out over a hockey arena packed with 10,000 fans last week and yelled: "It's been a long time since we played in Halifax. And tonight we're going to make up for lost time." Wearing a black leather jacket, then discarding it for a white T-shirt that hung from his shoulders (sweat like a flag, Adams looked every inch the generic rocker—the basement-band hero. The music was loud, lean, straggled-ahead. And all the songs sounded like old hits, even the new ones. Then, finally, he played *Don't Stop*. As the lights belted the stage in leaf green, the lead struck up (*Everybody I Do I Do It for You*, from the movie *Three Men*, Prince of Tides), the ballad that has sent Adams to the top of the charts with an arrow. Girls roared. Lights flickered in the darkness. And when it was over, the singer blew a kiss to the crowd—the grungy, punk-like, grungy band who has learned the power of chemistry.

After a three-world rock 'n' roll crusade through Europe, Bryan Adams has brought his *Waking Up the World* tour home in triumph—and controversy. At a pre-concert news conference in Sydney, N.S., last week, he delivered a blast against Canadian content regulations that affected some stars—and provoked debate about what it takes to get ahead in the domestic music industry (page 52). But Adams's own success, meanwhile, is unprecedented. *I Do It for You* has hit the No. 1 spot in 19 countries, including Britain—where it set new all-time sales record for a single. Buoyed by the song's success, the singer's sixth album, *Waking Up the World*, has sold nearly seven million copies worldwide in four months, making him Canada's most successful recording artist. Just the 32-year-old Vancouver native, who was born in Kingston, Ont., recently achieved another Canadian milestone by receiving six nominations for the U.S. music industry's Grammy awards, which will be handed out on Jan. 27.

The universal appeal of Adams is not immediately obvious. As a rough-around-the-edges who writes self-chosen hits, he could be called a light-hearted Bruce Springsteen, a disheveled Rod Stewart or a Sting without the reason—all contradictions in terms. Recently, Jim Farber, a critic for the *New York Daily News*, opened a review by writing, "If John Mellencamp had his brain removed, he'd sound like Bryan Adams"—and that was meant as a compliment. The charm of Adams's music lies in its lack of intellectual pretension. Ranging from sentimental ballads to raw-band rock, his songs thrum on cliché, and that is what makes them work—especially onstage. Adams has not of the hottest concert tours in the world. At a time when major performers such as Whitney Houston are canceling engagements due

to poor sales, his sold-out shows seem immune to the recession.

But in Canada, after his attack on Canadian-content regulations, some critics suggested that success has gone to his head. Adams had been responding to last year's ban on radio by the Canadian Radio-television and Telecommunications Commission that the 15 songs in *Waking Up the World* are "in Canadian" because Adams wrote them with a British producer, Robert (Mutt) Lange. That designation restricts the songs' airplay to no more than 18 times per week. Music classified as Canadian has no limitation. Adams started music industry observers, however, by saying that all Canadian content restrictions are "in Canadian" because he wrote them. "I think it's pathetic," he told *Maclean's* later. "Canadian music will prevail regardless of government regulation. The hypocrisy of what happened is that it's indicative of how stupid CanCon really is."

Many industry observers responded that while Adams may no longer need CanCon protection, the regulations allow smaller Canadian acts to build a solid base of support at home before tackling international markets. Backers who have benefited include Tom Cochrane, whose latest album, *Mad Mad World*, almost equals *Waking Up the World* in domestic sales (page 54).

Pushed. But the Canadian music industry has avoided since Adams started out a decade ago. He wanted to see how early in his career. "When I look back on how hard I pushed to get those records played in Canada, it didn't make any difference," he said. "It wasn't until my second was enormously successful overseas and in America that back home they said, 'Mutt, maybe it's good.'" Indeed, Larry LeBlanc, the Canadian editor of *Billboard* magazine, says (Maclean's) that radio-station logs from the early 1980s confirm that assertion.

Despite Adams's dismissal of CanCon, however, the singer displays an obvious affection for Canada. His 13-city Canadian tour includes small venues such as Sydney and South Sea Marine, Ont.—places that almost seem as important to Adams's status. And the singer says that he wanted to go even further afield. But he has to wait for summer to play Newfoundland because it is difficult to move truckloads of equipment there in winter. "And we can't even get as much in Montreal," he says. "Because the hockey season's on—imagine that. It's disappointing to me, because I wanted to do it properly." Added Adams: "Anyways, playing places like South Sea Marine will be excellent."

Spicing pure from a paper cup, Adams sat backstage at the Halifax arena before last week's show and gave a rare interview. He says that he hates "filing press," and does so only to please his managers. Bruce Allen, Minneapolis, Minn., who is notorious for his obsessive handling of the media, protests his claim with juddering tongue.

In person, Adams is unimposing. The eyes are grey and amiable. The face, scarred by teenage acne, has character but lacks

ROCK ON A ROLL

BRYAN ADAMS BRINGS HIS TOUR HOME TO CANADA IN TRIUMPH—AND CONTROVERSY



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DOMESTIC BANDS WIN ACCLAIM

ROCK STARS SEEK A WIDER STAGE

Previous record presentations tend to be glorified photo opportunities—a chance for record executives to pose with musicians and publicize their company's success in selling 100,000 copies of an album. But the record company that took place backstage in Toronto's Massey Hall on Friday night was special. Held by the record company of Canada (for the Crash Test Dummies), it was a giddy, high-spirited event that marked the Winnipeg band's meteoric rise to popularity. Just one year after the release of the Dummies' debut album, *The Flies* (that Flies!), they were presenting the group with three platinum awards for sales of 300,000 copies in Canada—a rare achievement for any new Canadian act. Said Brad Roberts, 26, the band's leader: "I never expected this kind of success. It's really a bit of a shock."

The Dummies are among a growing number of Canadian acts enjoying domestic and, increasingly, global success. A cluster of stars, including Alanis Morissette, Jeff Healey and Celine Dion, are achieving international break-

throughs. Meanwhile, bands such as the Cowboy Junkies, Blue Rodeo and The Tragically Hip have all received favorable reviews around the world and, in many respects, begun to achieve foreign commercial success to match. Seasoned performer Tim Cadogan is experiencing newfound fame (page 54). And another veteran, 45-year-old Bruce Cockburn, is finally reaching a wider audience in the United States with his latest record, *Nothing but a Burning Light*.

Mercury. More than anything, stars and industry officials cite Canadian content regulations for the vibrancy and success of the Canadian rock scene. And last week, many of them challenged Vancouver-based supervisor Bryan Adams' contention that so-called CanCon regulations, introduced in 1971 by the Canadian Radio-television and Telecommunications Commission, are responsible for "breeding mediocrity." The rules stipulate that radio stations devote 30 per cent of their airtime to Canadian productions. Designed to give Canadian artists a niche no airwaves dominated by

U.S. music—and to keep production money in the country—the regulations set out a point system that helps determine if a record can be considered Canadian—and, if so, as a result, get more airplay. Said the Crash Test Dummies' Roberts: "A lot of Canadian artists wouldn't get played otherwise. Sure, some of it is mediocre. But there's all kinds of incredible music that isn't Canadian that gets on the air."

Although some industry insiders said that the point system could use some fine-tuning, many, like Cockburn's manager, Denise Teitelbaum, argued that it would be disastrous to abolish it. Said Teitelbaum, who began working in the music business before the regulations were introduced: "CanCon is the cornerstone of the industry. We'd surely be lost without it." Indeed, there are now twice as many Canadian record releases annually as there were a decade ago. An unprecedented 84 Canadian musicians are signed to the seven major, for-profit record labels, which this year alone have awarded \$15 million in these so-called "big" acts. At the same time, there are more than 300 other musicians signed to Canada's many smaller, independent labels.

The increase in the number of Canadian recording artists has taken place in an industry that is in a global decline. Since 1980, Canadian content is valued at \$5 million last year from \$4 million in 1979. But according to Brian Robertson, president of the Canadian Recording Industry Association, Canadian sales account for an impressive 10 per cent—a figure that has held its ground over the past decade. Said Robertson: "It's such an incredible market, pure, with companies recovering costs on only one out of 10 acts, that it's mind-boggling any Canadian artist breaks through at all."

Besides CanCon, a number of other factors are strengthening the industry. The 10-year-old, government-subsidized Production to Assist Canadian Talent on Records (ACTAR) last year paid out nearly \$3 million to performers, producers and record companies to boost and record Canadian independent. ACTAR, president of the Canadian Independent Record Production Association, argues that it is a useful expenditure compared with the amount of public money spent on the film and television industries. Said Mac: "The record industry brings \$250 million into the Canadian economy each year—by far the country's most successful cultural industry."

Meanwhile, the cable TV channels MacMillan, based in Toronto, and Musiquest in Montreal have, since their launches in 1983 and 1986, respectively, helped to foster the music business. Along with the industry's annual Juno Awards, they have de-



Crash Test Dummies with Roberts (center front): No. 1 album and Top 10 song

veloped a kind of Canadian star system. MacMillan has also helped to establish a foundation similar to FACTOR to support the production of music videos. Known as Videofest, last year it banded out close to \$1 million.

Beds like the Crash Test Dummies have clearly benefited from those programs. After receiving a total of \$50,000 from sources including FACTOR to make its album, the group was able to record *Flies*. It cost \$65,000, and the Dummies had to use only \$15,000 of their \$35,000 advance from BMG. Now, according to BMG's manager of artist marketing, James Campbell, the group is enjoying the rewards of its No. 1 album and a Top 10 single: the hit "Superman's Song." "It's still too early for them to be making big money," he said, "but certainly by the next album, they'll be like the Beatles."

Love? For other bands, without the benefit of a hit single, breakthroughs are a result of relentless touring, live reviews, word-of-mouth or all three. "It takes longer," says John Gold, who manages The Tragically Hip. The 26-year-old Kingston, Ont.-based rock band

has released three albums, including two with MCA Records, but has just little album sales. Instead, the group has relied on the strength of its live performances—at played 200 shows last year. And the strategy has paid off: the band has had domestic sales of more than half a million copies of their 1991 *Stupid Love* and 1993 *Apologies* albums.

Canadian success, however, is sometimes not enough. For many performers, a platinum-selling record makes them only a break into, even a hard sell. Toronto-based Blue Rodeo, which regularly sells two or three times that number and plays sold-out shows from coast to coast, has to be wary of overexposure on radio in the Canadian market. Says Blue Rodeo manager Tim Gohy: "It's a real challenge just to maintain a domestic audience. We're trying to establish ourselves in other places, like the United States. But it can be pretty daunting."

Indeed, without the backing of a major, foreign-owned label, breaking into the highly competitive American market is almost impossible. One Canadian performer who is on the

verge of accomplishing that is Quebec singer Celine Dion. A superstar in her native province, where she has sold more than one million records, Dion is now poised to conquer the U.S. and, possibly, global pop worlds. Armed with her powerful, sultry voice, she has the formalistic training of Sony Music in Canada behind her—a deal reported to be worth more than \$10 million. But she also has significant support from Sony in the United States.

Reality. Still, even a contract with a major U.S. label does not guarantee success in America. Vancouver's 54-46, one of the first Canadian bands to sign with a U.S. company in the 1980s, found that reality the hard way. The acclaimed group released three albums with Warner Bros. in Los Angeles but, disappointed with sales, it returned to Sony Canada, and a new album is due in March. Said 54-46's Neil O'Brien: "We were a bit naive. We thought our music would sell itself—but we didn't need much from a record company."

Meanwhile, Toronto's Nonsensical Wives, a promising rock group led by singer Maria Del Mar, got lost in a shuffle in the United States. In 1988, the band received a deal with Hollywood-based Atlantic, but before the group's first U.S. record was released, the 100 representative who had signed the contract left the company—in all the promotional and marketing misadventures.

An increasing number of Canadian artists are finding other, more inventive ways to make records by themselves. Haplo-choric Lorenna McKinnon from Stratford, Ont., sold more than 80,000 copies of three self-produced recordings of ethereal Celtic music before being signed to Warner in Canada. Now, with sales of her current album, *The Veil*, approaching 100,000, Warner Bros. in the United States has signed her. Still, there has to be a major promotional commitment from a record company in order to sell an album. Said Teitelbaum: "New technology has made things so accessible. Producing a record isn't the creative thrust there—it's marketing."

But talent remains a critical element. And industry leaders agree that it has become easier for a gifted Canadian to attract the attention of power brokers in the United States. According to Sony Music Canada president Paul Burger, the key point is winning support from Sony's American head office. Dion came two years ago, when she performed for the company's U.S. sales executives in Quebec City. Three, before 300 Sony employees, Dion won a welcome ovation with an emotionally pitched performance. And after the show, she was mobbed by adoring fans outside who completely ignored British superstar George Michael, another Sony artist, who was nearby. David Gledhill, president of Sony's American label, witnessed the spectacle. "That was the key on the radio," said Burger. "Suddenly, everyone understood what we were talking about." For many Canadian performers, the world is beginning to recognize what all the fuss is about.

NICHOLAS JENNINGS

National Velvet: without a major, foreign-owned label, U.S. success is almost impossible

ROCK 'N' ROLL BREAKTHROUGH

TOM COCHRANE CRUISES TO FAME

There's no doubt I can't hold
Head so tight that I know
I'll be there when the light comes in
Till we see no more

—Tom Cochrane, *Life Is a Highway*

The song is about life on the road—and the sometimes rocky road of life. January 1993, it makes a metaphor of Tom Cochrane's own roundabout journey to the brink of big-time success. The stocky, square-jawed rocker scored his first album in 1983—only to be recognized by the stars of the music world for six years. And

will have a major release in the United States on Feb. 3. And its rising hit single, *Life Is a Highway*, has the potential to finally send the singer/guitarist, 34, on the road to international success. Sent Keith Sharp, publisher of the Canadian rock magazine *Where Eagles Fly*. "Cochrane needed that pretty big song to reach the masses. *Life Is a Highway* is that song."

Early on, the sage-sounding Cochrane developed the sort of gritty sound that epitomizes classic rock 'n' roll. But critics now see a new maturity in the musician's lyrics—as well as his earlier albums, he writes in private mail of the tracks on *Mad Mad World*—and a winning combination of folk-rock and



Cochrane's superstardom with *Life Is a Highway*

although his now-defunct band, Red Rider, produced eight modestly successful albums during the 1980s, superstar status eluded the group. But all of that appears to be changing. Cochrane's solo album *Mad Mad World* (Capitol) has sold a phenomenal 432,000 copies in Canada since its release last August—170,000 fewer than Bryan Adams's latest, *Waiting Up the Neighbours*. *Mad Mad World*

will have a major release in the United States on Feb. 3. And its rising hit single, *Life Is a Highway*, has the potential to finally send the singer/guitarist, 34, on the road to international success. Sent Keith Sharp, publisher of the Canadian rock magazine *Where Eagles Fly*. "Cochrane needed that pretty big song to reach the masses. *Life Is a Highway* is that song."

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Discovered by his professional prospects, Cochrane worked as a chiller in Toronto and a crewman aboard a Caribbean steamer before moving to Los Angeles in 1976. There, he combined work as a deliveryman and distributor with an act. "I was on doors trying to peddle my songs to publishers"—and returned to Toronto within a year.

Then, one night, he wandered into a downtown club where the local band Red Rider was

playing. Cochrane approached the group for an audition and became lead singer. Red Rider began to take off after teaming up with Vancouver manager Bruce Allen, who also handled Adams. The band's first album, *Don't Fly*, sold an impressive 300,000 copies. It was followed by three other discs—and each hit as *Wear It* and the self-titled *Loveline* Fringe.

Puzzlebox: After a falling-out with Allen in 1983, the group retained lead Tom Cochrane and Red Rider. Its first album contained one of the band's most popular singles, *Boy Don't Let Me Go*, a passionate lament for lost innocence. Recording an album in each of the next three years, the band also received the 1987 Juno Award for group of the year. In 1989, Cochrane was the first for company of the year.

Cochrane has made the most of the solo career that followed. To help clear his head before setting out on the newest leg of his career, the musician—who has two daughters with his wife, Kathleen—traveled to West Africa on a fact-finding tour for the humanitarian organization World Vision. That experience, he says, provided much of the inspiration for *Life Is a Highway*.

Having just completed an eight-week tour that took him to 30 towns and cities across Canada, Cochrane is preparing a promotion trip in the United States to accompany the release of *Mad Mad World*. Meanwhile, the album's second single, *No Regrets*, is now getting radio airplay—and promises to keep Tom Cochrane on the fast lane to success.

VICTOR DAVYD

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FICTION

- 1 *Murder & Walking Spirits*, Dennis (3)
- 2 *Ghosts and Indians*, Korman (2)
- 3 *Wilderness Year*, Jewett (4)
- 4 *The Bushveld Road*, Ondaatje
- 5 *Holloway*, Korman
- 6 *NI: A Book of Remembrance*, Korman (2)
- 7 *Prayers of a Very Wise Child*, Carver (2)
- 8 *Sugar Street*, Macfarlane
- 9 *Six Drowned Swans*, Grigor
- 10 *The Gates of Ivory*, Dreble (7)

NONFICTION

- 1 *The Rebirth of Canada*, Hynes (1)
- 2 *Maritime Privacy*, Newman (2)
- 3 *The Value and the Honor*, Woodard and Miller
- 4 *His Story of My Life*, Hynes (2)
- 5 *Prayers of a Very Wise Child*, Carver (2)
- 6 *Prud'homme*, Hynes (2)
- 7 *The New Canada*, Manning
- 8 *Sevenson's Remembrance*, Mayle (2)
- 9 *More than a Rose*, Hynes (2)
- 10 *The Best Treatment*, Hynes (2)

(1) Premier last week

Compiled by Brian Belliveau



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Why George Bush cannot write

BY ALLAN FOTHERINGHAM

Nothing surprises anyone anymore, even when the most powerful man on earth vomits into the lap of the prime minister of Japan (and then cleans it off), or the New Hampshire primary crowd, using bells to hear about the dry-cleaning bill. No doubt, Japan found that very amusing. No one else did, but perhaps the Japanese feel they simply don't understand American humor. Or American presidential humor. Or something.

The word of George Bush to challenge Jay Leno for the next-best-one-liner is no a-sinister place with a parchment about him ever since he moved into the White House. Does he ever read? We all know the hard-core politicians play designed to separate him from the uneducated Ronan Keating, whose name activity, aside from the afternoons' mouse, was watching old movies in the White House theatre with old friends availed over to watch popcorn from silver bowls.

So we have Bush the golfer, Bush the tennis player, Bush the horseback rider, Bush the driver of macho sportsbikes. The spin doctors would expect an image of vigor to the presidency after the struggle of R. R., the man who never met a Tefal Fryer for his diet's loss.

The puzzle is not that the only leader of the only superpower left behind his cookies at a Tokyo state banquet. The puzzle is why he didn't cook out earlier. A 60-year-old man whose heart did not up to last year's fall away around the world to Australia and back and his usual message-whirl of activities. He flies to Singapore at the same tempo and then an exhausting flight from summer temperatures to Korea, where it is freezing.

He does news conferences, official dinners—the freedom level focus more deadly than golf, and therefore dangerous to the health—often uses pairs of photo-opportunities and pretending to answer the questions at the White House press pack that was excluded from the case was even after his tour his collapse.

Anyone who even looks at a casual manner at the schedule of George Bush, day to mid day, can figure out that there is no room left in the 24 hours for contemplation, let alone actual



nothing. Perceptions as reality, as they say in the fit racket. That's why Lee Harvey, the shy southerner who ran the Republican campaign in the first Bush election and died of cancer last year, ordered him to abandon the striped cloth wallboard that landed him a Yale patron and to claim that he ate pork rinds and fried chicken for meals.

The clue to Bush you given inadvertently last week by one Robert S. Glusker, who resigned as undersecretary of the treasury for France. He is 52 and he was for more 20 years a professor at the Harvard Business School and he was hired at the beginning of the Bush years by Treasury Secretary Nicholas Brady, who is another of the Bush Ivy League money-buddies. Glusker eventually became the number 3 man in the Brady fold, a most powerful man indeed.

On his resignation, he confessed that Washington had taught him some thing: workday life

had never wanted: top officials in the capital are not expected to read or write. They get practically all their information through oral briefings, and they have huge staffs to write all their letters and speeches.

"I was used to writing everything that had my name on it," a still-astounded Glusker told a New York Times reporter. "Here, I got to write nothing I supposedly wrote. Here, when you said you wanted to write something, people looked at you as if you were crazy. That's what you have a big staff for."

So it is with Bush, the man who rarely reads—or has time to even if he had the inclination to. The first indication of this, when he was elected, came when reporters—writing the "real George Bush"—asked him about his bedtime reading. He told them, enthusiastically, that he was committed to *The Reader's Digest*, Tim Wile's first-best-selling, collecting source of Wall Street greed.

Some months later, another reporter asked about the presidential reading preferences. Out again was *The Reader's Digest*, asking the President under the Silver Medal of the Year or a later. When one persistent scribe, given 15 minutes with Bush on Air Force One, pushed the issue, Bush candidly confessed, "You know, I don't read much."

That is most apparent from his schedule, noted to the 30-second gap on the jumps. The shocker was the father, the young senator, Republican Chair, on his pillow, not to mention Clarence or even A. J. Leaning. The man who was head of the car and now doesn't read anything about it he has running for the presidency for 20 years and by making philosophy.

Our broad vision, even at the height of the war, spent every morning at bed, answering his correspondence, writing, editing, dictating memos—none repeated with both chips and an answering. For Bush—quarter 6 a. m. sleep-out in the seeds of media manipulation. He wrote and was a Nobel Prize for literature because you can't write unless you read.

George Orwell taught us that the reason politicians can't think logically is because they can't write logically—a reverse of the common perception. Until they can put their own thoughts into reasonable language, they can never think through the consequences of their decisions.

George Bush has no pattern through his thought process because he doesn't read—and therefore can't write. But what does Dean Mufsony read—besides *Frank Maguire*?



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